and Construction Worldwide

CONTINENTAL SELLING PRICES: AUSTRIA Son 15; BELGIUM F. 26; DENMARK M. 6.00; FRANCE F. 4.50; GERMANY, DM Z.O; ITALY, L 800; NETHERLANDS FI 2.0; NORWAY, K. 6.00; PORTUGAL ESO 50; SPAIN PIN 75; SWEDEN K. 6.00; SWITZERLAND F. 2.0; EIRE 359; MALTA 250

Pan Camera smuggled to hunger striker

The IRA has smuggled a miniature camera and tape recorded to the bedside of Rymond McCreesh, now on the 61st day of a hunger strike at the Maze prison in a bid to boost its propaganda campaign. Prison authorities aphounced the discovery after a biurred photograph of another hunger striker, Patsy O'Hara, Dublin in

ewspaper. Mrs. Thatcher e-riled told McCreesh's relatives that she hoped his life could still be saved. But she stressed, in a letter to his brother, that he British Government would not surrender to terrorists.

Soldiers shot two youths in west Belfast. The Army said both were armed and hijacking

Grants storm

local authorities, as a penalty for overspending. Page 8

'Cut Rhine Army' Former Prime Minister James Page 34

Callaghan urged the Government to withdraw half the OOLLAR eased on beavy 55,000-strong Rhine Army central bank intervention and rather than reduce the size of an easier trend in Eurodollar the Royal Navy. Defence debate, rates to close at DM 2,2980

Trident split

The House of Commons Defence Committee is split over Britain's Page 33 decision to buy the Trident ment. Page 10 Jobiess forecast

The number of UK unemployed

will rise to 3m in 1983 and will still be about 2.5m in 1985.

according to a group of Warwick University economists. Page 6 Airports hit Heathrow, Gatwick and Manchester airports will be badly disrupted today by industrial

as part of the Civil Service

'Ripper' trial

The judge in the "Yorkshire Ripper" trial said he would send the jury out tomorrow, rather than after he ends his summing-up today, so they would not feel "under the pres-

Speeding tickets Fixed-penalty tickets for speed-

ing and some other traffic offences could be introduced next year. Transport Minister Norman Fowler said.

Saving the tiger India will increase its budget

to save tigers from extinction, from £2.4m to £6m. The number of tigers in the wild and in reserves has risen from 1,844 in 1972 to 3,015.

Briefly . . .

Judge in Alabama plans to release up to 200 prisoners a in the state's jails.

East Germany will burn old tyres in cement works' furnaces to cut its imported coal

Josef Ertl. West German Farm Minister, was cleared of taking bribes from a milk carton

Polish union leader Lech Walesa was elected Pipeman of the Year by the British Pipe-

smokers' Council. Financial Times

The Financial Times regrets that some readers may have been unable to obtain their copy of the FT yesterday and that the closing prices on North American markets were not available. This was because of production

RISES

Aberdeen Costreto, 190 + 12

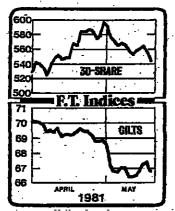
CHIEF PRICE CHANGES YESTERDAY

(Prices In pence unless otherwise indicated)

Equities off 11.1; Dollar easier

No. 28,475

● EQUITIES: the FT 30-share index fell 11.1 to 544.8 as the market responded to interest rate fears and the weakness of international financial markets



GILTS were also affected by A storm broke out over plans Japanese selling, with the to axe £900m in grants from Government Securities index

> • WALL STREET was down 2.61 before the close at 977.40.

> central bank intervention and (DM 2.3085), SwFr 2.0475 (SwFr 2.0550), FFr 5.54 (FFr 5.56) and Y220.80 (Y220.90). Its trade-weighted index was unchanged at 106.1.

nuclear mislie system. Parlia- • STERLING added 25 points to \$2.0810, and was at Y459-50 (Y459.25), but eased 10 DM 4.7850 (DM 4.7975), FFr 11.5275 (FFr 11.5500) and SwFr 4.2625 (SwFr 4.2700). Its trade-weighted index fell to 98.5 from 98.9. Page 33

• GOLD closed unchanged in London at \$479. In New York, the Comex May close was \$481.3. Page 33

■ CBI announced a campaign to appeared to be running into surrounding the crisis appeared limit Japanese exports to the difficulties last night after ● CBI announced a campaign to UK, and for tougher conditions on Nissan's proposed British car plant. Back Page; CBI loses £373,000, Page 8

• STEEL INDUSTRY in West Germany is pressing for Government aid. Back Page. British Steel's £1.28bn state assistance programme will be partly blocked by the European Commission, Page 2

AVERAGE EARNINGS growth rate is established at about 10 per cent a year, or ? per cent a month—less than half the level of a year ago.

▲ LONDON BRICK, whose 5,500 workers have been on a fourday-week since October, will return to full-time working next month. Page 8

• UNITED ARTISTS THEATRE CIRCUIT of the U.S. and Rogers Telecommunications of Canada made a \$215m bid for UA-Columbia Cablevision, ninth largest U.S. television company. already the subject of a bid by newspaper chains Dow Jones week, to relieve overcrowding and Knight-Ridder. Page 28

 BRITISH AEROSPACE said
it had orders worth £150m from four airlines for its new 146 airliner. Back Page; Background, Page 7

• NATIONAL FREIGHT Corporation, which is to be denationalised, made a net loss of £7.58m in the nine months to September 30, 1980. Page 7

 MARKS and SPENCER announced second half pre-tax profits £16.01m higher at £112.28m, taking the full year result to £181.19m (£173.65m).

Page 24; Lex, Back Page • RANSOME HOFFMANN POLLARD, the bearings-tofasteners group, announced a first half pre-tax loss of £123,000 compared with a profit of 55.94m. Page 24

Collins (Wm.) A ... 152 - 13

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Racal Electronics ... 365 - 7 Ransome Hoffmann 80 - 51 Redfearn Nat. Glass 177 - 15 Runciman (W.) ... 134 - 6 Turner and Newall 931 - 4

Unilever 542 - 13

Shell Transport..... 394 - 14

Glaxo

Overspent Labour Party 'has cashed all realisable assets'

BY RICHARD EVANS, LOBBY EDITOR

THE LABOUR PARTY is in serious financial trouble, having overspent by £175,000 last year and cashed all its realisable assets, Mr. Norman Atkinson, the party treasurer, admitted yesterday.

He revealed the full extent of the party's plight at a Westminster Press conference in an effort to stave off union criticism of his performance as treasurer. But his frankness could have the reverse effect. The news is so grim the party's union paymasters

could decide to give more support to Mr. Eric Varley, shadow Employment Secretary, when he mounts his third

also decide to reform the financial structure. Mr. Atkin-son acknowledged that his reputation was in shreds but

Foot criticises Benn for denigrating last Labour Government; Silkin may stand in deputy leadership contest, Page 10

challenge against the Left-wing Mr. Atkinson for the treasurer's post at the party conference at Brighton in the

he rejected allegations that he had been "reckless and profligate." He confessed that the outlook for the party was very, very tough indeed."

In an effort to impress the unions, the party is to impose a rigid Thatcherstyle spending limit of £3.1m for 1981. If this is maintained it should bring the books back into balance.

Beyond that is the target of raising £3m as a general election fighting fund—with October 1983 as the expected date. Mr. Atkinson expressed pessimism over prospects for raising this amount in addition to the cash needed for current expenditure.

is to vote on a proposal to increase membership fees from £5 to £6 and from 50p to £2 for the unemployed. The union affiliation fee is to go up to 50p a head next year, but there is con-

This year's party con-

tinuing pressure from the unions to take more control over how the money is spent. Mr. Atkinson predicted that the party would be unable to raise any money for the European Parliament elections scheduled for 1984. He suggested that Euro-candidates representing the Labour Party should be asked to "come up with something" if they

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Numerous methods raising more money have been discussed, including the need to meet the estimated £45,000. cost of the annual conference. Delegates are to be charged £10 attendance fee instead of £3 and visitors, including diplomats, will be charged £5. In previous years there has

Investment appraisals of CEGB attacked

BY MARTIN DICKSON, ENERGY CORRESPONDENT

economic justification for Britain's nuclear energy stra-tegy have been raised in a Monopolies Commission report which castigates the Central Electricity Generating Board for "seriously defective" investment appraisals.

The report, published yesterday, follows a nine-month efficiency audit of the CEGB by the commission. It was the first such investigation of a major nationalised industry ordered by the Government under its new Competition Act. The commission concludes

that many of the board's dayto-day activities are relatively efficient, though it criticises aspects of its relations with other nationalised industries and its record of forecasting future power demand.
It strongly attacks the board's

judged to be "against the pub-lic interest." The commission says the CEGB has not demon-

Lebanese missile crisis.

This has given added urgency

to the meeting of Arab League

foreign ministers, which opens in Tunis tomorrow. Yesterday

the Gulf Co-operation Council

Bahrain and Oman — postponed

a meeting scheduled for tomor-

SERIOUS DOUBTS about the furbishing existing coal-fired an expansion of nuclear power.

plant.
"A large programme of investment in nuclear power stations, which would greatly are seriously defective and approach to new orders. liable to mislead," the report The report's other says.

It implies, but never states explicitly, that the board may have been misleading itself and the public over the cost advantages of nuclear power.

The report acknowledges that there may be strategic reasons for nuclear stations. But it says it is "seriously concerned" that the strategic case for the board's most recently ordered station—Heysham 2 in Lanca-shire—" may have been unjustiinvestment appraisal, which is fiably reinforced by supposed economic merits of the project."

These conclusions will be strated a strong enough case to seized on by the anti-nuclear justify economically a large lobby. They must seriously nuclear expansion programme embarrass the Government, rather than maintaining or re- which is strongly committed to

THE MIDDLE EAST peace hand of Arab diplomacy in President Assad had dampened mission conducted by Mr Philip supporting Syria.

Habib, the special U.S. envoy, Earlier in the day tension tion of the crisis.

But when Mr Menachem

Begin, the Israeli Prime Min-

ister, met Mr Habib to report on the Government's decisions.

these hopes were overshadowed

— composed of Saudi Arabia, Mr Habib's mission.

— During this period, there Kuwait, the United Arab Rather than reporting on may be efforts to return the Emirates (UAE). Qatar, Israeli agreement to the terms composition of the force to the

expected, Mr. Begin indicated

he appeared to pour scorn on July.

o and the chances

by an interview given by Syria's date extended for an additional President Hafez Assad in which six months beyond the end of

of the proposal, as had been more Arab character it had

Middle East mission in

earlier hopes that a peaceful of an immediate military con-resolution had been reached in flict between Syria and Israel

the confrontation between seemed to have receded.

Israel and Syria over the But when Mr Met

BY DAVID LENNON IN TEL AVIV AND ANTHONY MCDERMOTT IN BEIRUT

However, both the Government and the CEGB pointed out last night that the commission was wrong in saying they had a increase the capital employed commitment to a "programme" for a given level of output, is of 15,000 MW of nuclear plant

> clusions are: Demand forecasting by the board has been "seriously inaccurate" in the past and has led to premature orders for

> new plant which have increased · Costs could have been lower if the board had imported more coal. Fuel supply arrangements with the National Coal Board and British Rail have some

objectionable features. The board maintains its power stations well, has relatively good industrial relations and has an effective system of minimising its day-to-day gene-

Continued on Back Page Editorial commen and feature, Page 22

Discussion of the Lebanese

• Lebanon's President, Mr.

Elias Sarkis, who is the titular head of the Arab Deterrent Force (ADF), might ask Syria

to remove its missiles gradually.

• The ADF may have its man-

when it first came into Lebanon

crisis in Tunis is

focus on several points.

U.S. to overhaul bribery legislation

THE U.S. Government wants to overhaul its anti-bribery laws as the centrepiece of its drive to remove domestic restrictions on American exporters and exports, Mr. William Brock, U.S. special trade representative, said yesterday.

Mr. Brock was testifying to the Senate Banking Committee. He referred to the Foreign Corrupt Practices Act, passed in 1977 in response to disclosures that U.S. multi-nationals made questionable payments to highranking foreign officials. said the Act was well-intended but had created problems of interpretation practice.

He said the law was a serious trade barrier to U.S. exports but the Administration unequivocally supported the principle that illicit payments, foreign or domestic, were un-ethical and undesirable.

Mr. Brock was speaking before leaving for Geneva on a five-country trade mission, his first to Western Europe. He has said the main purpose

of his European visit would be to stress U.S. participation in the General Agreement on Tariffs and Trade organisation. 'c persuade Europeans that the recent car import deal with Japan was a one-off exception and to emphasise yet again the U.S. desire for international export credit levels to be

The Administration's main attentions recently, however, have been devoted to domestic snags to exports. Yesterday the Reagan Cabinet was putting

Continued on Back Page Deadlock on export credits, Page 4

£ in New York

May 19

Spot | \$2.0700-0715'82.0880-0890 I month | 1.30-1.40 pm | 1.25-1.35 pm 3 months 3.80-5.90 pm | 3.40-3.50 pm 12 months 6.50-8.70 pm;7.90-8.10 pm

Lack of customers forces Nigeria to cut oil output by 20% BY RAY DAFTER IN LONDON AND MARK WEBSTER IN PARIS

NIGERIA has cut oil production by 20 per cent because it cannot find enough customers.

Sales of Nigerian crude have slumped as a result of the world oil glut and its policy of maintaining high official prices in the face of falling spot market rates.

Dr. Alex Ekwueme, the country's vice - president, confirmed in Paris yesterday that production this month was averaging only 1.6m barrels a day compared with more than 2m b/d a year ago. Many customers have failed to renew contracts because they have found it difficult to sell highpriced Nigerian crude on the world market.

Nigeria sells most of its crude at about \$40 a barrel, a price used as a reference level for North Sea oil of similar quality. British National Oil Corporation, the biggest trader of

North Sea crude, has come under considerable pressure particularly from oil refinersto lower prices. It has told the industry it will not move until Nigeria and other African producers trim their rates.

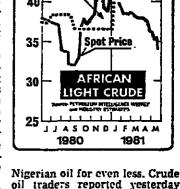
The fall in Nigerian sales could have serious consequences for the country. It depends on oil for 90 per cent of export revenues. But Dr. Ekwueme said it was

not such a critical situation that we feel we have to take panic measures. I think the economy is sufficiently resilient to absorb this temporary decline in the level of produc-

ended two Nigerian supply around 27m b/d last year.
contracts because it considered Whitehall officials w contracts because it considered Whitehall officials warn the oil overpriced. A few days that prices could rise substantiago Gulf Oil, another major ally from the mid-1980s as the

only \$3 a barrel more expensive than Saudi Arabia's light crude, Oil prices should remain level, now at \$32 a barrel.

But it is possible to buy Opec faces tough talks, Page 3



Official

oil traders reported yesterday African and North Sea oil was valued between \$33.50 and \$34.50 a barrel on the spot market compared with a peak of about \$43 at the beginning of December. The spot rate for Middle East light crude has also fallen from more than \$40 to about \$33-\$34.

UK Government studies suggest that-barring accidents or political strife - the international oil market could remain weak for at least another two years. As a result, the figures suggest, crude oil prices could fall in real terms until at least the end of 1982. The unpublished assessment

of the international oil market sees the worldwide demand for Opec oil remaining between 23m and 25m barrels a day until the end of next year. This Atlantic Richfield has just over 31m ≥/d in 1979 and

customer, called on Nigeria to market tightens again. By the lower prices.

It is understood Gulf suggested Nigerian crude should be day terms, \$60 in 1980 prices. Page 6

Technology body launch soon

row in order to strengthen the that the critical remarks by in November 1976.

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

This was announced yesterday by Sir Frederick Wood, who is chairman of both bodies. He wants to call the combined operation the British Technology Corporation. Mr. Brian Willott, a Depart-

ment of Industry civil servant in his early 40s, who is the Board's acting chief executive, is believed to be the front runner for the job. Dr. Jim Cain, the managing director of the corporation who is in his late 50s, is the other candidate. Sir Frederick wants to make an appointment from his exist-

Government approval for his

THE GRADUAL merger of the National Enterprise Board and bining the operations, and profit of £11.1m if losses of the National Research and eventually for a joint corporation. Development Corporation into a tion to be created. But a full machine tool company, which joint body will be formally merger would require legisla- has been disposed of, are launched in about a formight tion and the tight parliamentary excluded. when a chief executive is timetable might delay this for a appointed to head both organisa- year or two.

In the meantime common management systems, investment plans for areas like small system company lost nearly companies and new operating £10m. guidelines would have to be developed.

Sir Frederick was speaking at of £24.1m in 1980, which amounted to a negative 15.3 within two years. per cent return on capital employed.
Originally the board was

supposed to achieve a 15 per cent to 20 per cent positive return by this year but civil servants have failed to design ing senior staff, but must gain Sir Frederick said yesterday board's duty to sell off most of that he had obtained approval its investments when they from Sir Keith Joseph, Industry become profitable.

The report also shows that the board's INMOS micro chip ven-1980, while the NEXOS office

Another high technology investment — Data Recording Instrument—lost £10.4m. Recording should produce profits

The report also revealed that Mr. Ian Halliday, who resigned as chief executive of the board in December, was paid £50,000 compensation. His total income for the year, including his salary, amounted

Pians accelerate, Page 8 Men and Matters, Page 22 Quest Automation, Page 27

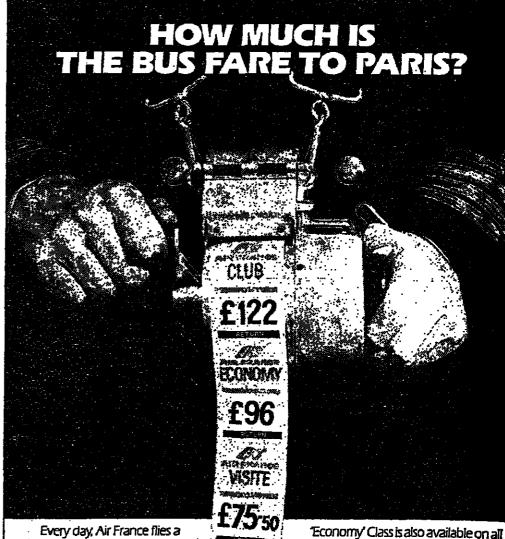
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'Vacances' fares are available on specially designated daily flights. Again there's no inflight service and certain conditions apply to these fares.

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call Air France direct-for full details of all these value-for-money fares. AIR FRANCE ##

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Leading

Italian

banker

arrested

By Rupert Comwell in Rome

Ambrosiano, and

currency illegally,

ITALY'S FINANCIAL and

political establishment was

shaken yesterday with the

country's biggest private

sector banker, on charges that

he has exported foreign

basis of the warrant issued

against Sig. Calvi concern operations carried out in 1975

and 1976 by La Centrale, a financial company controlled

by Ambrosiano and of which

Centrale board in that period

have also been taken into custody. They include Sig. Carlo Bonomi, head of the

Invest Financial Company, the cornerstone of the

Invest is one of the four

leading private sector grouns

which have just agreed to buy

back the state's 16 per cent stake in the Montedison

been involved in controversy

a 40 per cent stake in the Rizzoli publishing group. Rizzoli owns Corriere della Sera, Italy's most important

recently over its purchase of

reverberations of Sig.

Calvi's arrest will add to the political uncertainties sur-

rounding the four-party coali-

tion Government. These stem

from the affair of the mysterious P-2 Freemasons

lodge which is reputed to have

heen a centre of clandestine political power.

dealings is understood to have

come to light in March when

police seized documents from

the Arezzo headquarters of

New evidence of Sig. Calvis'

Bonomi famuly empire.

chemical company. La Centrale, for its part, has

Sig. Calvi is also president. Six other members of the

The accusations forming the

handed over by magistrates to Sig. Arnaldo Forlani, the Prime Minister, declined to reveal the names on Tuesday. But parliamentary committee which also has a copy may make the list public today. Some political parties are demanding the resignation of those holding public office

Council antid allegations that

he had improperly helped

Sig. Calvi regain his passport.

This was confiscated last

who are implicated. The warrant for Sig Calvi's arrest claims that La Centrale sold blocks of shares in two of its major offshoots, Credito Varesino and the Toro insurance group, to foreign sub-

In the case of Toro, La Cen-trale is claimed to have arranged for other Italianbased subsidiaries to buy back the shares at a price of L35,000 per share compared with their then quotation on the Milan bourse of L13,775

As the repayment was made in foreign currency, the dif-ference between the two prices is held to be a clandestine export of currency. in breach of Italy's foreign exchange regulations.

Those arrested yesterday are likely to be interrogated by magistrates within the next



Barre bows out in a blizzard of statistics

THE GOVERNMENT of President Valery Giscard d'Estaing took its last how yesterday—10 days following the election of M. François Mitterrand as the new President of France-after hearing a long factual report on the state of the economy from M. Raymond Barre, the outgoing Prime Minister.

Following Wednesday evening's emotional and somewhat theatrical farewell message on television from President Giscard, at the end of which he was seen walking slowly into arrest, ordered by Milan magistrates, of Sig. Roberto Calvi, president of Banco the middle distance with the cameras focusing on his empty chair, the last Cabinet meeting was altogether a more down-toearth affair.

In the words of the Government spokesman, M. Jean-Marie Poirier, who intends to stand for a parliamentary seat in the forthcoming general election, everybody made it a point of honour to avoid any excess of

M. Giscard d'Estaing, who was due to lay a wreath on the Tomb of the Unknown Soldier later in the day, put an end to nearly two weeks of long drawnout and painful farewell ceremonies with a simple statement at the end of the Cabinet meeting.

"We have done what we had to do," it said. "We have done it as best as we could. That is the reply that our conscience

about the new French regime is

how M. Francois Mitterrand will interpret the immense powers

which the constitution gives to

the President of the Republic. The outgoing President, M.

elected monarch, though more in style than in substance.

presidency is likely to be very different, with less emphasis on

the trappings and dignity of the

office. The new President has

promised to give Parliament a bigger role in the Government

of the country and to bring

about devolution of power to

But can a man, who has shown

authoritarian tendencies in the

past and who has ruled his own

Socialist Party with an iron

hand, resist all the temptations of personal rule offered by the

combines many of the functions

in Britain. He is not only the

Head of Government, as well as

being the commander-in-chief

of the armed forces and, by definition, the man with his

finger on the nuclear trigger. The President has the power

of life and death over the

Government, which is, unlike him, responsible to Parliament.

He nominates the Prime Minis-

ter and, after consultations with

him, the government Ministers.

He can also dismiss the Prime

Minister, though constitutional

practice demands that the

premier should hand in his

Under the constitution, the

Prime Minister must submit his

own resignation and that of the

Government to the President

when the National Assembly

adopts a censure motion or if the Government is defeated on

its general policy declaration.

But other situations, such as a fundamental disagreement be-

ween the President and the

Prime Minister, are not clearly

The Fifth Republic, however,

has established a number of unwritten rules since its

creation in 1958. These can be

resignation.

defined.

he regions.

The style of M. Mitterrand's



of momentary public favour."

M. Barre, who stopped curry-ing public favour a long time ago, did nothing to reverse the trend in his last dry statement or the nation's economy. The main purpose of this document

breakable precept that the

Giscard's first Prime Minister,

did not hesitate to resign after

a monumental row with the President in the summer of

and the ruling majority's elec-

The pre-eminence of the

Presidential office is thus con-

secrated both by the Constitu-

Under President Giscard, the

powers of the Presidency

reached a peak, perhaps for

the very reason that he could no count on a parliamentary

majority and that his Govern-

ment was constantly harassed and threatened by the Gaullists.

To offset this weakness, the

Elysée Palace stuck its fingers

The President surrounded

There were many occasions on

card's staff to win acceptance

into practically every pie. !

tion and subsequent practice.

President is always right. M. Jacques Chirac, President

ONE OF the biggest questions reduced to the simple, un-

Valery Giscard d'Estaing, was President in the summer of blamed for behaving like an 1976 over the Premier's powers

If M. Giscard d'Estaing himself with a small group of schaved like an elected highly competient officials who

monarch, he did so with the doubled up for nearly every

legal backing of the constitu- Government department and, tional texts though, on one or with one or two exceptions,

two occasions, his government's could exercise as much, if not interpretation of those texts more, influence behind the

was, to say the least, contro- scenes as Ministers themselves.

The French President, elected which the Elysée overfuled

by universal suffrage for a re-newable period of seven years, others on which Ministers

of the Queen and Prime Minister vant official on President Gis-

Head of State, but the effective for a cherished proposal.

toral strategy.

Have I served France well? On ments, was intended to pre-empt oil price shock and was cona day like this the voice of the negative judgment of the tinuing the adaptation of its conscience is stronger than that of the nation due to be drawn economy to the new interup by the nef socialist national economic situation." administration.

The outgoing Prime Minister's gives to the only question that which contained a mass of begun to deal successfully with cent in 1981. in 1981 already be a politician should ask himself: figures and few value judg- the consequences of the second • The number of unemployed by nuclear plants.

Mitterrand promises more 'democratic' line

NEW STYLE AT THE ELYSEE

The Secretary-General at the different under M. Mitterrand.

Elysée—a kind of Minister of The new President, it is true, has

Court—became one of the key always depended heavily on his figures in the land, shough his influence was never exercised in bares where he is lacking in

regional prefects-might report structive role to the National

In the short term at least, for which he has a tremendous

things are likely to be very affection. Much will depend

economy to the new inter-

This statement was translated into the following statement: conclusion was that "France, which, since the end of 1978, duct, which grew by 1.3 per cent had mastered the adverse effects in real terms in 1980, is of the first oil shock, had expected to increase by 0.5 per

expertise, such as economic

policy. But many of his advisers

and political friends will doubt-

less be appointed as Ministers in

the interim government and their relationship with the Presi-dent will therefore be both more

intimate and less servile than

nurtured his political career and

under the outgoing regime.

for the first quarter of 1981 was FFr 11.6bn (fibn), compared with a shortfall for the whole of 1980 of FFr 31.7bn M2 money supply rose by 10.4 per cent from March 1980 to March 1981. • On the eye of the final ballot of the presidential election, France's official foreign ex-change reserves stood at FFr 363.4bn.

• France's foreign credits ex-ceed its foreign debts by FFr 21bn. At the end of December 1980, its foreign debts totalled FFr 124bn compared with FFr 145hn of credits The accounts of the social security system, after being heavily in the red, are back in balance.

 The purchasing power of workers has been maintained. The long-term objectives of the country's energy programme are being respected, with 34 per cent of electricity produced in 1981 already being produced

If the election produces a

hostile majority, it is difficult to

see even an old parliamentarian like M. Mitterrand being too generous in shedding some of

his Presidential powers. What

is certain is that the President

will try to associate the National

Assembly more closely with the

formulation of policy even in

those areas, such as foreign

affairs and defence which, since

General de Gaulle, have been

the President's special preserve.

believed, will the country see a

repetition of the unedifying pro-

cedure in the winter of 1979, under which the 1980 budget

was pushed through the National

Assembly in spite of the absence

This was made possible by an

article of the constitution which

provides for the automatic

adoption of a bill made into a

question of confidence by the

Government unless a censure

motion is voted within 24 hours.

But its repeated use by M.

Raymond Barre as Prime Minis-

spirit, if not the letter of the

It is in areas such as this.

has been seriously undermined

by successive Fifth Republic Presidents, that M. Mitterrand

has promised that he will adopt

a much more "democratic" approach. The achievement of a better balance between the

functions of the Presidency and

those of Parliament is to be

complemented by giving the re-

gions a greater say over their

Under the present system,

constitution.

own affairs.

of a parliamentary majority.

Nor, if M. Mitterrand is to be

state aid some 500,000 people have benefited from the Government's third youth employment pact up to the end of April. • Consumer prices rose by 12.5 to British Steel per cent over the 12 months up to the end of March. 1981, compared with 13.6 per cent over the previous 12-months BY JOHN WYLES IN BRUSSELS period. Inflation has been slowing down for three months. • The current account deficit

Financial Times Thursday May 21 1981

Brussels delays

The Commission's desire to towards state aids for industries in trouble being displayed by the new Commissioner for competition policy, Mr. Frans Andriessen.

After informing the British Government a week ago, the Commission said yesterday it had no doubts about approving £530m of the total £1.23bn government aid for 1980-1982. But the balance, which it said was earmarked for investments and to cover operating losses, needed to be scrutinised. In particular, the Commission said that it wanted to focus on the "6.6m tonnes of capacity which the BSC intends to keep in

reserve." There are no suggestions here that the Commission plans to insist on further BSC closures, which since 1979 will have shed 70.000 jobs and reduced annual capacity from 21.6m tonnes to 13.4m tonnes by the end of this

on whether the forthcoming general election gives the new President a parliamentary majority for his legislation.

PART OF the British Govern- safeguards against the BSC ment's £1.28bn aid programme suddenly opening the producfor the British Steel Corporation is to be blocked temporarily while the European
Commission decides whether it

BSC is in a better position to do porarily while the European It is suggested here that the Commission decides whether it BSC is in a better position to do is contributing an overall this because its closure proproduction gramme leaves it based on half a dozen plants which are be reassured on this point capacity. Some of the BSC's stems fro ma tougher attitude competitors, it is argued, will not have the same physical capacity to boost production when they have finished shutting down surplus plant,

The Commission is already investigating aid programmes which the Belgian and Luxemhourg Governments are plan-ning for their steel industries and an inquiry at the BSC will maintain an evenhanded approach. However, its probe may have less legal significance since it is not checking for compliance within the Treaty of Rome but with only member state's agreement in February last year to link operating subsidies to reductions of capacity. The BSC aid is not the only major government rescue plan being examined in Brussels.

Mr. Andriessen has also launched an investigation into the £990m cash injection for BL, the car manufacturer, and wants to be convinced that it year. Will help carry the company
However, the Commission, towards ultimate viability. Broad
possibly under pressure from approval for this programme is
some other EEC steel producers, appears to be seeking weeks.

Polish debt talks

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

further talks would be necessary. The 19 banks present said collectively that they attached great importance to the fact that

Poland is continuing to pay interest on its debt. None of the participants in the secret talks was available for comment, but the outcome is clearly a disappointment not only for Poland but also for the large number of bankers who had hoped that the meeting would take Poland closer to

Poland announced in March that it was no longer it fell due, and temporary

Government creditors agreed

ing in Frankfurt yesterday failed owed money by Poland this to reach a consensus on a year. Working parties of response to Poland's request to bankers were meeting in Frank-reschedule debt maturing this furt to try to prepare proposals to put to yesterday's talks. There was no means of telling

no decisions were taken and last night how far away the banks were from agreement but what is clear is that the longer the talks drag on, the greater becomes the danger that Poland could be declared in formal default by one of its Western creditor institutions.

 Credit Lyonnais, one of the big three French nationalised banks, sparked off another round of interest rate increases yesterday by pushing its base rate up from 14.75 per cent to 15.75 per cent, a new record. Two private banks, Paribas and Credit du Nord immediately

larger group. A further tightening of bank interest rates was expected in arrangements have been in Paris after heavy intervention force since then to stave off by the Bank of France in the money markets on Tuesday took the call money rate to 17.5 per at a meeting in Paris in late cent. This combination of May to reschedule about \$2.6bn measures calmed down the in debt falling due this year. foreign exchange markets yes-

end in deadlock INTERNATIONAL banks meet- the 460 institutions which are

A statement said simply that

ter for the various articles of solving its debt problem.

M. Mitterrand also says he tel lot the budget was widely con-wants to give a much more con-sidered to have violated the able to repay debts to banks as where the role of Parliament default

The bank discussions with terday where the franc gained Poland have been dogged by a slightly against the dollar to wide diversity of opinion among FFr 5.506 against FFr 5.527.

Prague to try dissidents

BY DAVID TONGE

THE CZECHOSLOVAK authori- Foreign Minister in the Dubcek ties yesterday released two government and a founder of French people arrested on Charter 77. He has been April 28 for smuggling subversive literature and money into the country. However, they have used the occasion to crack down on Czechoslovak members of Charter 77, the

subversive acts in conjunction with foreigners." Of the 16, six have been released pending

trial.

The most prominent figure day are Mme Francoise Anis involved is Mr. Jiri Hajek, and M Gilles Thonon.

still in prison include Mr. Karal Kyncl, a prominent journalist in the Dubcek period and also a founder of Charter 77, which dissidents and have arrested 16 has been monitoring implementation of the Helsinki accords. human rights organisation.

Those arrested have been accused of carrying out "grave security conference has comsecurity conference has com-plained on behalf of the Euro-pean Community at the arrest of members of Charter 77. The

Up-beat pomp and circumstance

public. Responsible on paper

for the running of the Presi-

dential office, he could, in fact, order this er that minister to

attend a state funeral in a dis-

tant country or, in the absence

of the President from his office,

co-ordinate measures against striking fishermen or rioting

farmers. On such occasions, the

State's representatives in the

provinces - departmental or

turned for support to the rele-directly to him, particularly at Assembly, a place which has

weekends.

Revolution, which President Giscard decreed should be slowed down because it sounded better that way, will be back to its old tempo today when the Republican Guard plays it for M. Francois Mitterrand as he salutes the flag for the first time as Head of State, writes David White in Paris.

Western socialist leaders, distinguished figures from the arts and sciences and a bevy of Latin American writers will be among the

guests aftending the inauguration ceremonies. A bitch in the morning's solemn hand-

over proceedings remained unresolved vesterday. After being receiven on the confident, the Elysee Palace by the outgoing President, After being received on the steps of the formal transfer of powers and secret nuclear codes and M. Giscard's departure, the new President is due to be given the insignia of Grand Master of the Legion of Honour. But the order's Grand Chancellor, General Alain de Boissieu, resigned last week rather than do this job for a man he says insulted his father-in-law. General de Gaulle—and he has not yet been replaced.

After formal confirmation of his election, President Mitterrand will make a short inauguration speech amid a 21-gun salute fired from the banks of the Seine. After reviewing the troops, he will drive in an open car up the Champs-Elysees to place the traditional wreath on the Tomb of the Unknown Soldier under the Arc de Triomphe.

Again, in compliance with tradition, M. Mitterrand will be received at Paris Town Hall in the afternoon by M. Jacques Chirac who, as Mayor, occupies a post created by M. Giscard and who, as presidential candidate, was doubtless partly responsible for M. Giscard's defeat.

The main innovation in the ceremonies is that the President will then take the Boulevard St. Michel, focus of student Paris and of the 1968 revolt, to pay homage to two figures buried in the Pantheon—Jean Jaurès, founder of the French Socialist Party, assassinated in 1914, and Jean Moulin, the wartime resistance leader who died in 1943.

M. Mitterrand has "invited the people of

Paris" to join him there, having rejected the idea of holding a popular rally at the Place de la Concorde as less fitting for the occasion. The Paris Orchestra will be on hand with 150 choristers to play Beethoven's flymn to Joy and, inevitably the Marseillaise again—but this time in Berlioz's setting.

the departmental and regional prefects, who are the Government's representatives, exercise enormous power, ranging from the maintenance of public order control over local budgets. M. Mitterrand plans to abolish the prefects and to replace

them by high commissioners the importance of this change in name is not immediately clear-and to create regional assemblies elected by universal suffrage. The aim is to transform an

advanced industrial society with a semi-developed political system into a more genuine indus-trial democracy. Whether Jacobin France will appreciate the cure is another question.

Kosovo's Albanians threaten fabric of Yugoslav unity ENTERING THE province of in three among the 130,000 Kosovo from the Serbian town inhabitants is a student at the am listening to Radio Tirana an unknown number of dead because it speaks the truth." and wounded among the demon-



the visit stated.

Podujevo is une or according trouble spots. A week ago, demonstrators Albanian origin set 48 houses scene with slight variations is office and the banks, police and repeated all over the province, militiamen, stand guard in Kosovo, half of the size of groups of three to five, ready Kosovo, half of the size of Wales and with 78 per cent of to nip the slightest provocation its 1.6m inhabitants of Albanian or demonstration in the bud. origin, has emerged since the cruption of the first riots in March as the powder keg of multinational Yugoslavia. Oil tanks, power stations, post offices and public buildings are guarded day and night by

soldiers, reservists and the militia. Pristina provincial capital, is a city of students, Macedonian capital of Skopje soldiers and police spies. One after being found guilty of

of Mis. the scene suddenly university, while a further changes. At the crossroads in 40,000 girls and boys attend front of the petrol station, a grammar schools in the wider light tank is baking in the heat Pristina area. Between 6 pm of the midday sun. On the road and 10 pm. the main Marshal branching off to the small town Tilo Boulevard in the heart of of Podujevo, a car is held up the city is a pedestrian zone soldiers and militiamen, with thousands of sullen and Car papers and driving licence grim young people marching are presented, the purpose of up and down. They immediately spot the secret police in their Podujevo is one of Kosovo's trenchcoats and signal to the visitor to speak quietly. every corner, and above all before the yellow Communist there on fire. But the same Party building, the tourist

> New disturbances reported on Tuesday, when 200 university students marched in the town chanting separatist slogans. The university itself was closed last week by the expedient of bringing forward the summer vacation. Five ethnic Albanians were yesterday sentenced to jail in the

Pristina, the provincial capital of Kosovo, is now a city of students, soldiers and police spies, reports Paul Lendvai, who examines the violent, nationalist movement among the young Albanians living in Yugoslavia's poorest region.

setting up an illegal secessionist vince regard autonomous rights organisation. Albanians Kosovo's

demanding that the province, Montenegro have republican now an autonomous portion of status. But neither Marshal Serbia, should become the Tito nor his successors have seventh constituent republic of Yugoslavia. Modern Albanians demand because a republic of are the oldest inhabitants of the Balkans, the descendants of secede and this could lead to the ancient Illyrians and have unification with Albania and no ethnic linguistic or religious conceivably, a crack-up of the bonds to the south Slavs of the Yugoslav federation. bulk of Yugoslavia.

to display the Albanian national flag and to enjoy a seperate English who works part-time in constitution and supreme court. a textile shop whispered: "Many The province is presented in students and three of my

as far too little when Macedonia are and the much smaller been willing to give in to the Kosovo would have the right to

'Why don't you speak to me Since 1966, Kosovo's in Albanian?" a student of Albanians have gained major philosophy snapped when I tried concessions such as the right to strike up a conversation with him in Serbian. A student of leadership in the same way as Special police agents from Nis came to interrogate them. But But the Albanians of pro- I know what is happening. I

in Albania proper under the repeatedly pulled down and iron grip of Mr. Enver Hoxha's ancient Serb graves desecrated. regime in Tirana.

manipulated by Albania. The enemy is in reality our daughters and sons." It is this profound alienation of the young generation, accounting for 52 per cent of the province's conceivably, a crack-up of the population, which is the most worrying feature of the situation for the Yugoslav leader-

ship. In the long run, even moderate Albanians resent the fact that they are controlled by " all-Yugoslav" police patrols, addressing the local people in Serbo-Croat and unable to speak the language used by the overwhelming majority of the inhabitants.

After hundreds of arrests and

and wounded among the demon-Such statements baffle both strators, calm still seems to be foreign observers and Yugo- as far away as eyer, Cinemas, slavs outside the province who theatres and dance halls are know how much better and still closed. Fredom of moveabove all how much more freely ment within the province is the ethnic Albanians in Yugo- still closed. Freedom of moveslavia live than their brethren partisan monuments have been

But as an elderly Albanian medieval Serbian empire, and Kosovo, once the heart of the official in Suva Reka put it, "It still dotted with magnificent is political nonsense to talk Serbian churches and monasabout an ubiquitous enemy, teries, is holy to all Serbs. Though Serbs today constitute only 13 per cent of Kosovo's population, the loss of the province could provoke an incalculable backlash The setting up of a Kosovo Republic would also be an

irresistible pole of attraction to the 500,000 or so ethnic Albanians now living in Macedonia and Montenegro. In short, entire South Yugoslavia would be involved in a remaking of the federal map.

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ong i

BY QUENTIN PEEL IN JOHANNESBURG

THREE MAJOR motor manufacturers in South Africa—Ford, General Motors and Leyland South Africa—were hit by labour disputes yesterday, in the latest upsurge of black labour unrest to hit the industry. In Cape Town, Leyland, the South African subsidiary of BL, sacked some 1,900 workers for failing to return to work after a week's strike for a higher wage increase. The company said that the workers, mostly coloured (mixed race) members of the National Union of Motor Assembly and Rubber Workers (Numarwosa) were in breach of their agreements in striking for improvements in a pay award already settled.

Their refusal to work is an illegal action and in violation of the terms of the agreement, Mr. Arne Pitlo, a Levland spokesman, said. He said the company decision to suspend the workers was in accordance with the agreed disciplinary code, and followed three days'

susmension without pay. However, Mr. Joe Foster, branch secretary of the union, said the men were striking for and Citroen cars; after a short more than the 9 cents per hour increase agreed last year, when it was understood that the com- settled. pany was in financial difficulties.

halt at Leyland's two Cape Town Elizabeth.

plants at Elsies River and Blackheath, manufacturing Rover cars, and Leyland trucks and

In Port Elizabeth, the capital of the South African motor industry, both Ford and General Motors have been hit by a sympathy strike by their workers for men laid off at the Firestone tyre manufacturer. Some 1,500 workers at three Ford plants, and 175 workers from General Motors, downed tools after the dismissal of the Ford dismissal of two Ford men who refused to fit Firestone tyres to

All the workers involved are members of the Motor Assembly and Components Workers Union (Macwusa), a predominantly black union which, unlike Numarwosa, is not officially registered. The Ford and General Motors workers support the blacking of Firestone tyres until all the Firestone workers have been reinstated.

The South African motor industry has been hit by a series of disputes in the past 18 months, the last of which was a pay claim at Sigma, which manufactures Mazda. Peugeot strike at the company's Pretoria plant the pay claim was

pany was in financial difficulties. The disputes have shown a He said that Leyland had considerable degree of corecently started hiring extra ordination, with workers in Preorkers. toria striking for similar pay
Production was brought to a rises to those won in Port

French Socialists renew pledge on sanctions

Socialist Party yesterday pledged his party's support for sanctions against South Africa because of delays in bringing independence Namibia. Assuming the policy is pursued by President-elect Francois Mitterrand, it could prove a severe upset for Western policy on southern

The French Socialist view is in marked contrast to the increasingly sympathetic attitude towards South Africa expressed by the Reagan Administration in Washington. But while the statement by

M. Lionel Jospin conforms to Socialist manifesto on which M. Mitterrand campaigned for the Presidency United Nations and the Organiprivately expressed scepticism and said they would be pressing for a concrete commitment on sanctions after the new French Government is installed. Nonetheless, the strength of private sector investment in the views expressed by M. the Republic. France is South Jospin has considerably en- Africa's biggest arms supplier.

Group profit before taxation

Profit attributable to ordinary

Number of ordinary shares in issue Earnings per ordinary share Dividend per ordinary share

26 June 1981 both dates inclusive.

of exchange ruling on 13 June 1981.

to 26 June 1981 both dates inclusive.

19 May 1981

Registered Address:

171 Jacob Mare Street

Group profit after taxation Profit attributable to outside share-

Preference dividends

holders

THE LEADER of the French courged anti-apartheid groups taking part. Mr. Peter Manning, of the Southwest Africa Peoples Organisation (Swapo), which is fighting a guerrilla war in Namibia, said M. Jospin's reaffirmation would "undoubtedly

> THE South African Government has given a "positive response" to U.S. proposals to break the deadlock in negotiations for a settlement in Namibia, according to reliable reports here, Quentin Peel writes from Johannesburg.

have considerable effect in Europe. "

M. Jospin said the Socialist several African delegates to a Party was committed to ending trade with Namibia including the import of uranium; the refor African Unity duction of French imports from South Africa "in keeping with what is technically feasible;" the freezing of all public sector investment in South Africa and an end to all incentives for

THE IMPERIAL COLD STORAGE AND SUPPLY COMPANY,

(Incorporated in the Republic of South Africa)

PROFIT STATEMENT AND DIVIDEND ANNOUNCEMENTS

With widely differing stock values during the year, it became apparent that the first-in first-out (F.I.F.O.) method of stock valuation was no longer suitable to the situation of the company and with a view to expressing the results of the group in less inflationary terms, the last-in first-out (L.I.F.O.) method of stock valuation was adopted for the major part of the group's stock.

The audited results of the group for the year ended 28 February 1981 were as follows:—

Effect of

for 1981

on previous FIFO basis

765 937

32 780

13 078

19 702

2 802

16 545

71.2c

23 654 400

* For comparison purposes, the results of the group and the effect thereof are reflected as they would have been if the basis of accounting had not changed from the previous F.I.F.O. basis of stock valuation.

from the previous F.J.F.O. basis of stock valuation.

Final Dividend No. 92 on Ordinary Shares
Notice is hereby given that a final dividend of 13.5 cents per share (1980—12c) has been declared on the company's ordinary shares, payable to shareholders registered in the books of the company at the close of business on 12 June 1981. Together with the interim dividend of 4.5c per share paid on 12 December 1980 this makes a total dividend of 18 cents per share for the year ended 28 February 1981 (1980—16c).

The dividend is declared in the currency of the Republic of South Africa and becomes due on 13 June 1981. Dividends payable from the office of the company's London Transfer Secretaries will be paid in the United Kingdom currency at the rate of exchange ruling on 13 June 1981.

of exchange ruling on 13 June 1981.

Dividend warrants will be posted on or about 10 July 1981. Non-resident shareholders' tax will be deducted from the dividends where applicable.

The ordinary share registers of the company will be closed from 13 June 1981 to

Interim Dividend No. 84 on Preference Shares

Notice is hereby given that an interim dividend of two and three-quarter per cent
has been declared on the company's preference shares, payable to shareholders registered
has been declared on the company at the along of business and 12 June 1081

in the books of the company at the close of business on 12 June 1981.

The dividend is declared in the currency of the Republic of South Africa and becomes due on 13 June 1981. Dividends payable from the office of the company's London Transfer Secretaries will be paid in United Kingdom currency at the rate

of exchange runng on 13 June 1901.

Dividend warrants will be posted on or about 30 June 1981. Non-resident share-holders' tax will be deducted from dividends where applicable.

The preference shares registers of the company will be closed from 13 June 1981.

R000 765 937

10 522

14 704

11 868

By order of the Board

Ashford, Kent TN24 SEQ.

Office of the U.K. Transfer Secretaries:

Charter Consolidated Services Limited Charter House, Park Street

J. P. Enslin

23 654 400

R000

23 795 8 598

15 197

2 055 55

13 087

23 654 400

Tokyo stock market recovers

By Richard Hanson in Tokyo

MR. ZENKO SUZUKI, the Japanese Prime Minister, yesterday repeated Government denials that Japan has given verbal or any other agreement, for U.S. warships and aircraft carrying nuclear weapons to visit Japanese territory.

Meanwhile, the Tokyo stock market recovered sharply from Tuesday's dramatic plunge, apparently on a round of hargain hunting. The Nikkel Dow Index of 225 stocks jumped 107.26 points to close at 7,371.27 — the biggest single day gain in a

On Tuesday, the Nikkei Index had suffered a 187.88 point drop partly due to con-cern over how the Suzuki Government would handle the nuclear weapons issue.

Apparently the Govern-ments of U.S. and Japan have simply decided to ignore the awkward questions raised once again by remarks made by former U.S. ambassador dwin O. Reischauer that U.S. ships regularly call on Japanese ports carrying their

A meeting between the current U.S. ambassador, Mr. Mike Mansfield, and the Japanese Foreign Minister, Mr. Sunzo Sonoda, ended with a comment that Mr. Reischauer's statements were those of a private citizen, and they were "irrespon-

The issue arises periodically in Japan, because of the Japanese Government's official position, which holds that the U.S. will not "introduce" nuclear weapons to Japan without prior consultation. Since there have been no such consultations there have been no weapons, the logic goes.

It has been made clear on numerous occasions however that U.S. ships calling on Japan do not leave their nuclear weapons elsewhere. The U.S. interpretation of "introduce," however, apparently excludes weapons in transit, therefore not requiring prior consultation. This neat fiction has been maintained for the past two

Sihanouk visit

PRINCE Norodom Sihanouk, the former Kampuchean ruler, arrived here yesterday, from Peking, reportedly for talks with Kampuchean with groups residing in France, AP reports from Geneva. He had accepted a Chinese offer to equip a 3,000-man strong army on condition he would form a

Zipra disarms

ALL former guerrillas in Zimbabwe have now been disarmed and are being integrated in the national army. Reuter reports from Salis-

David Marsh, in Libreville, reports on the deep divisions between delegates

High absenteeism at IMF meeting

and poor countries on ways of revitalising the flagging world economy look certain to mark this week's round of international economic talks in Libreville Gabon

The U.S., in particular, is bound to be criticised on nearly all sides over high dollar interest rates and the Reagan. Administration's cool approach to development aid.

Delegates to the International Monetary Fund's interim com-mittee meeting, which takes place today started preparatory talks yesterday in distinctly low key fashion. The gathering of Government officials and central bankers who comprise the DMF's steering committee is marked by the large scale absenteeism of Finance Ministers from the industrialised

The poor turnout has cast a ville's palatial conference dampener over the gathering, centre rank with anything in



to replace M. Monory.

the first IMF meeting in Africa. Although the facilities at Libre-

the industrialised world, delegates from Europe and the U.S. are openly concerned about the inconvenience and expense of holding international monetary meetings on the Equator.

From the top ten industrialised countries, only three- Association, see his absence as Britain, Canada and Italy—are sending their Finance Ministers to the meeting. Ill-health and in political difficulties at home have prevented the attendance of the West German, Dutch and Japanese Finance Ministers.

M. Rene Monory, who was to have chaired the meeting, has lost his job as French Finance Minister following the French Presidential elections. His place is widely expected to be taken by Allan MacEachan, the experi-Canadian Finance

Treasury Secretary, was recalled developing countries. Last week to Washington in the middle of he spoke out against a new a Middle East trip last Sunday to help the Administration push posite reserve currency, the to stock up its lending resources,

Congress.

Developing countries, irked in particular over the American delay in providing funds for the the International Development symbolising the lack of interest affairs.

Prominent in the U.S. delegation is Mr. Beryl Sprinkel, the accentuated by soaring interest Treasury Undersecretary in rates on their commercial bank charge of monetary affairs. His debt tion on the foreign exchange approach.

Mr. Sprinkel is also unlikely



World Bank's soft loan affiliate, Special Drawing Right, on the grounds that world liquidity was-

already ample. Developing country delegates by the Reagan Administration are pressing for a big new distriinternational economic bution of SDRs next year as a way of alleviating their rising cash problems, which have been

comments on the new U.S. IMF officials say the absence policy of minimising interven- of so many leading officials here this week partly reflects the lack market have recently annoyed of any pressing issues for the European central bankers, who Fund meeting to resolve. IMF accuse him of an over-simplistic loans to developing countries have spurted, compared with the levels of only 12 months ago, Mr. Donald Regan, the U.S. to win many friends among and during the last few weeks deals with Saudi Arabia and allocation of the IMF's com- leading industrialised countries

Agreement 'unlikely' by OPEC on price unification

BY RICHARD COWPER IN JAKARTA

THE Organisation of Petroleum Exporting Countries (OPEC) may agree to freeze oil prices at current levels at its meeting next week, but will be hard put to reach any consensus on price freeze," he said. unification or production cuts, Professor Subroto, its current president, said yesterday.

the meeting in Geneva, Professor Subroto, who is also Indonesia's Minister for Mines, said that agreement to freeze prices now looks a "real possibility" though it will not

"There are now currents in OPEC thinking: those who wish to cut prices,

those who wish for a price increase to take into account inflation, such as the Africans, and the majority who appear to be willing to accept a price

Professor Subroto made it clear that Indonesia was in In an interview before he left Venezuela's Oil Minister, Sr. Humberto Calderon Berti, said earlier this week that, in view of what he estimated would be an oversupply this year of 1.4m barrels a day (b/d) he would propose a price freeze for the rest of the year. The United Arab Emirates and Qatar have `also called for a price freeze.

clear, however, that he thought been insisting that some memagreement on unification of bers cut prices before he would prices, which currently range agree to such a measure. It is from \$32 to \$41 a barrel, and production cuts to counteract Algeria would agree to decrease the present surplus would be their official price," said extremely difficult to reach. Professor Subroto.

Saudi Arabia, which is producing an estimated 10.3m b/d far above its normal output and a level which has done much to cause the surplus, has made it clear that it will not reduce its production until there is an agreement on price unfication.

"It is likely that many of the OPEC members will ask Saudi Arabia at the conference to cut production, but Sheikh Yamani it a premium of \$6.50 a barrel Professor Subroto made it (the Saudi Oil Minister) has above the official price, accord- a barrel as a service fee,

very unlikely that Libya and

Some oil analysts believe that the conference next week could be extremely acrimonious with OPEC hawks like Libya and Algeria openly attacking Saudi Arabia for its policy of attempting to force price unification on OPEC members.

Patrick Cockburn Qatar has dropped its demand that six Japanese customers pay

ing to oil industry officials in following Kuwait's inability to keep its premiums and the general weakness of the world oil market.

The Japanese companies are expected soon to sign contracts for 135,000 h/d of Qatar's crude at the official price of \$37.42. The total production of the small Gulf state is 500,000 b/d. Qatar is currently re-

negotiating its service contracts with Shell, which is entitled at present to lift 145,000 b/d of Qaar Marine crude from the offshore fields at the official price. This year Shell has reportedly been getting 22 cents

HOW TO AVOID



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WORLD TRADE NEWS

GRENADA'S NEW AIRPORT

Storm over an island badly in need of friends

which serve the tiny Caribbean cent to its time already dispatch to exile in cent to its tiny airport, squeezed in between the mountains and.

For years, the lack of a fullisland's development. But now, 30 miles away, 200 Cubans, using Soviet trucks and bulldozers, are carving a new 9,000ft runway out of a range of low hills. When they have finished, Grenada will at last be able to receive wide-bodied charter aircraft full of the tourists whom

it is so anxious to attract. Rarely can an airport have generated such international heat. The U.S., which has blocked a three-year IMF aid package for the island, fears that the \$40m runway is actually intended for Soviet aircraft which could use it to monitor the Caribbean tanker lanes or as a refuelling stop for ferrying Cuban troops on their way to

Some diplomats even speak darkly of a new Soviet submarine base being built at one tip of the island. I could find no trace of it and local yachtsmen say the sea in the area where the base is supposed to be under construction is too treacherous for anything much larger than

The cause for this concern is the political complexion of the People's Revolutionary Government led by Mr. Maurice Bishop, a 36-year-old Londontrained barrister, who seized power in an almost bloodless in March, 1979.

Mr. Bishop, and a small number of like-minded Crenadians, had opposed the autocratic and sometimes violent Government of Sir Eric Gairy, the former 110,000 people of Grenada to finance some EC\$70m of capital

by jurek martin, u.s. editor in washington

PRESIDENT REAGAN may on the President's policies.

have committed his first serious Given the three-to-one edge in

political mistake in proposing voter registration that Demo-

last week that social security crats enjoy in the district and

retirement benefits be reduced. the popularity of the previous Adverse public reaction to his office holder, Mrs. Gladys Spell-

plan appears to have played at man. Mr. Hoyer's victory was

least a contributory role in hardly surprising, but reports

Tuesday's special congressional from the field on Tuesday night

election in the fifth district of referred repeatedly to opposition Maryland, mostly comprising to cuts in social security of the

the Washington suburbs, which dimensions outlined by the

seat quite comfortably.

Mr. Steny Hoyer won 55 per 50 per cent was much higher

cent of the vote against 43.5 per than expected and worked in

received extensive assistance bloodied and bowed Democratic

from the White House in her Party appears finally to have campaign, as well as from the achieved a semblance of unity

This support tended to wake All 47 of its senators pledged

the election a mini-referendum on Tuesday to "use every rule

saw the Democrats retain the Administration last week.

cent for Mrs. Audrey Scott, the Mr. Hoyer's favour.

Republican candidate, who had

national Republican Party

Human rights

nominee may

By Our U.S. Editor in Washington

appointment. All eight Demo-

crats appear resolved to oppose

him and they may be joined by

one or two of the 10 Republi-

cans, including the chairman, Senator Charles Percy.

Either way, the matter would

be reiected

independence from Britain in expenditure for 1981, Grenada 1974. His florid administration has managed to obtain aid from country of Grenada have to had progressively alienated vir- a whole range of sources includ-

California. The new Prime Minister there has been no sign of them size airport has hampered the and the island has become a de liament, such as it was, has been dissolved. New "People's Laws" are made by decree. The only newspaper has been shut down "irresponsible" reporting ough other Caribbean (although papers remain on sale in the

> Two of Sir Eric's Ministers and about 100 of his supporters are still held in the old British prison high above St. George's, the capital. None of them has yet gone to trial. But a number of other detainees have been released or tried and sentenced.

Most governments in the region dislike the Left-wing tone of the Bishop regime and the absence of elections. Among other things, this has led to a war of words with neighbouring

None of this seems to worry Mr. Bishop. His primary concern is the woefully poor country he has inherited and the economy which has been running down at an ever faster rate. With unemployment well above 35 per cent, the island depends on three basic crops-cocoa, bananas and spices-and on tourism. All of them have proved vulnerable this past year to the vagaries of the world economy. In 1980, Grenada managed to earn only EC\$44m (£9m) from exports against an import bi Il of EC\$135m.

The new Government has put particular emphasis on agriculture and on the airport and the expansion of tourism. To help

In a confidential report in March, and IMF team concluded promised early elections, but that "the fiscal situation has improved considerably." As a result, the country's budget was facto one-party state. The Par- more or less in balance "compared with the chronic deficits typical of previous years" under Mr. Bishop's predecessor. The report recommended a three-year Extended Fund Facility loan of some SDR 6.3m, but when this came before the board of the fund in late March the U.S. successfully and unexpectedly blocked the request. Last week, the board compromised and voted to allow Grenada a one-year \$4m loan. The U.S. executive director abstained.

Mr. Bishop is contemptuous of the U.S. argument that the IMF three-year package was against IMF rules because the country's capital investment programme, including the airport, has not been formally approved by the

that the Reagan Administration and Britain-which is refusing to give new aid until there are elections—are trying to starve Grenada of foreign aid and make its eventual economic collapse an example to the rest of the Commonwealth Carib-

anti-U.S. At public rallies, he one said. leads his people in a new song Perhap written for the revolution honour h entitled Forward March Against His friendship Imperialism. with Fidel Castro has been like a red rag to the Reagan Administration whose extreme sensitivity on matters Cuban needs no such encouragement

in the Senate book" to defeat

In more emotional terms

Senator Daniel Patrick Moyni-

han, from New York, charged

that the Administration was

prepared to "take orphans out

of orphanages" to pursue its

tion claims, are necessary to

The Democrats were unable

to propose any immediate alternative to the President's proposals which, the Administragestion last week for more

save the social security system the proposal that those who from bankruptcy. But their choose to take early retirement

onslaught, combined with re- at 62 would only receive 55 per

many Republicans, has already rather than the 80 per cent of

induced the White House to current law. This, his critics back away from its initial claim, is tantamount to break-

Congress is faced with two between the Government and

purpose of cutting spending.

Mr. Reagan's proposals.

His rhetoric is unabashedly



Most Grenadians, however, have a rather different view of the Cubans. The airport, which has been a dream for 30 years, is wildly popular and even Mr. Bishop's fiercest opponents strongly support it. Cuba has also sent teams of doctors and the standard of medicine on the

Mr. Bishop himself scarcely behaves like a miniature Castro. The island's private sector has been left almost entirely alone president of the Chamber of Commerce, says that relations with this Government have been easier than they ever were with Sir Eric.

But there are few signs of the been formally approved by the winvestment the island needs as the business community contensor for the U.S. action is although some hotel owners are talking of possible joint ven-

tures with the Government. Relations with the island's powerful trade unions have meanwhile begun to show the first signs of strain and some union leaders think the Government may try to force them to accept low wage increases. "Bishop is just biding his time,"

Perhaps he is. His failure to honour his election promise has damaged his credibility even though many Grenadians readily acknowledge that elections under Sir Eric could hardly be said to have been free of Government interference. But the Prime Minister none.

lems. The more modest cuts in

benefits for the next fiscal year,

which are part of the overall

economic package, are encountering little difficulty in the legislature. On Tuesday the

House Ways and Means Com-

mittee approved some \$9bn in cuts, much as the Senate

Finance Committee had earlier.

radical surgery-above all with

ing a contractual relationship

argues that, with Sir Eric still vowing to return from exile, his own position is not yet secure enough for him to free or put on trial the men still held in gaol. He says that Grenada must find some alternative to the Westminster model for the future. Elections now would distract attention from much more urgent economic priori-

He ridicules the notion that Grenada wants to turn itself into a Soviet client state. "Ye will not accept any suggestions that we should be a satellite of anyone," he says. No one but Cuba was willing to give so much aid for the airport, he adds, nor would any other country send doctors and dentists.

Internationally, for all the rhetoric, it is hard to escape the feeling that Mr. Bishop knows that he needs all the friends—in both East and West -that he can get. "The greatest mistake the West could make would be to push him into a corner with Russia and Cuba. He should be judged by what he has done, not by what he says," one experienced former politician said.

The Bishop regime still seems popular with a clear majority of Grenadians. Hamstrung by a lack of resources and deter mined to avoid the financial profligacy of the Gairy years, it can only make slow progres particularly in its attempt to revive farming. But some progress may be better than

Comptroller

bank critics

GOVERNMENT proposals to

tighten up capital adequacy rules for U.S. hanks have ben

scrapped following criticism

from the banking industry,

and are to be replaced by more lenient proposals, David Lascelles reports from New York. The Office of the Comp-

troller of the Currency, which regulates U.S. banks. is

expected to announce the

The office said last summer

that as part of its concern about capital adequacy it

wanted to eliminate the pro-

vision for loan losses entirely and to eliminate subordin-

The banks complained that

their loan loss provision usually far exceeded actual losses and that the funds it

represented could safely be

included in the capital defini-

tion. They also argued that subordinated debt had a permanence which gave it

many of the characteristics of

equity capital.

The new proposals will allow banks to count their

entire loan loss provision for

capital adequacy purposes. On

subordinated debt the Comp-

troller's office consulted the Bank of England and is pro-

posing rules akin to the

British system under which this debt would be amortised

over the last five years of its

changes soon.

ated debt.

defers to

Brazil pledge to fulfil nuclear accord with Bonn

BY ELGIN SCHROEDER IN BONN

BRAZIL yesterday pledged to fulfil the \$13bn (£6.2bn) nuclear co-operation agreement with West Germany, signed in 1975, for the supply and construction in Brazil of eight nuclear reactors—despite scepticism about Germany's nuclear know-how.

The pledge was given by Sr. Joac Figueriedo, the Brazillan President, before leaving Bonn after two days of talks. At the same time, a 10-year, DM 140m (£33m) loan was extended to Empresas Nucleares Brasileiras (Nuclebras), Brazil's state-owned nuclear energy company, by the Kreditanstalt Fuer Wiederaufbau (KFW). Intended for further investment in the Brazilian nuclear energy programme, the loan was signed in Frankfurt in the presence Sr. Delsim Nete, Brazil's Planning

President Figueiredo's visit focused

heavily on German-Brazilian economic rela-

Financial Times Thursday May 21 1981

West Germany is Brazil's fifth most important supplier country and, of the EEC countries, the biggest importer of Brazilian

Last year Brazilian-German trade volume reached DM 5.7bn. West German direct investment in Brazil was roughly DM 5.3bn, second only to the U.S., and represents more than 50 per cent of total German direct investment in Latin America. But the quelling of doubts about the future of German-Brazilian nuclear collaboration has not removed all problems between

the two countries. Brazil's high inflation: rate, coupled with interest rates of between 110 per cent and 200 per cent, has caused great difficulties for some German subsidiaries based there.

EEC moves to counter 'dumped' U.S. plastics

BRUSSELS — The EEC, pre-paring for talks with the U.S., has announced two temporary measures to counter alleged

The EEC Commission imposed a 38 per cent temporary anti-dumping duty on U.S. textured polyester cloth after a complaint from European companies that American undercharging was damaging their industry.
It also increased a provisional anti-dumping duty on styrene monomer, a key chemical for the plastics industry, to 14.8 per cent from 4 per cent.

The cases are among more than 12 lodged by European companies charging that U.S. energy pricing policy gives companies an unfair advantage. Provisional duties can be imposed while the Commission

Talks will be between Mr. Myer Rashish, U.S. Economic Affairs Under-secretary, Herr Wilhelm Haferkamp, EEC External Relations Commis-sioner, and Sir Roy Denman, chief trade negotiator.

The EEC regards U.S. price controls on gas, an important raw material in synthetic fibres, as giving U.S. textile and petro-chemical companies an artificial

Our World Trade Staff adds: In London Mr. Cecil Parkinson, the UK Trade Minister, said: "These duties, which have been secured largely as a result of British representations indicated the protection from unfair trade that UK industry can completes dumping investiga- anti-dumping case is presented to the Commission.

Electricity and gas swap agreed by Netherlands

BY CHARLES BATCHELOR IN AMSTERDAM

MAJOR WEST German electricity company, Vereinigte pay a discount price for Dutch Elektizitaetswerke Westfalen gas during the 1980s and in (VEW), will meet part of the higher price of Dutch natural gas by supplying electricity to the Netherlands. Dutch gas accounts for half

of VEW's fuel requirements, far more than most other German utilities, and VEW would have experienced difficulties in paying all of the recently negotiated 14 per cent price rise for Dutch gas, the Dutch said. Coal accounts for

turn supply about 700mw of electricity worth an estimated FI 1bn (£95m) between 1990

The German company will

VEW: will accelerate its power station construction plan so as to have sufficient capacity to supply the Netherlands, the Economics Ministry said. VEW has also agreed to give preference to Dutch companies to supply components for one new power station, provided the Dutch tenders are competitive.

Britain hit by falling sales to Emirates

BY BRIAN GROOM IN DUBAI

CONCERN IS growing over the creased marginally, exports to to the oil-rich United Arab to only £28.3m. Emirates, where recent visits

the preceding January. While and where Britain ha British sales to Abu Dhabl in share of the business.

UK's falling share of exports Dubai slumped by 39 per cent

According to Dubai Chamber by Mrs. Margaret Thatcher and whole of 1980 Britain's market other Ministers have served share in the northern emirates, partly to publicise the oppor-including Dubai, fell from 16.89 tunities open to British busi-per cent to 13.3 per cent. The downturn is largely attri-

British figures show that in buted to a decline in construc-January, 1981, UK exports to tion work in Dubai and the the UAE were 18.2 per cent northern emirates, where major down at \$42.8m compared with projects are nearing completion and where Britain had a good

W. Germany 'in line for Saudi deals'

By Jonathan Carr in Bonn

WEST GERMAN companies stand a better chance of gaining contracts from Saudi-Arabia than at any time over the past 18 months, according to a leading Saudi officials visiting Bonn.

The comment by Mr. Fayes Badr, president of the Saudi State Port Authority, comes three weeks after Chancellor Helmut Schmidt's visit to Ryad during which intensia fied economic co-operation was a key discussion topic.

Mr. Badr, who held talks here with Count Otto Lambsdorff, the Economics Minister, stressed that the Saudis had always prized the high qualityof German exports, but that German prices had not always been sufficiently competitive. The decline of the D-mark against the dollar—by about

25 per cent over the 18 months—was helping to cor-rect this problem, Mr. Sadr said, thus boosting German export prospects. New Saudi port prospects in

which German companies stand to gain further business include the extension of the harbours at Jeddah and Yanbo on the Red Sea, and at Jubail on the Gulf.

GM in Taiwan joint venture

TAIPEI - General Motors b signed an agreement with three Taiwan companies and a bank to form a joint venture. company to produce heavy duty trucks, buses and diesel-

Called Hua Tung Automotive Corporation, the venture will GM will have a 45 per cent stake, Taiwan Machinery Manufacturing 34 per cent, Central Investment Holding 15 per cent, Bank of Communications 5 per cent, and China Steel 1 per cent, Total capital investment of the joint

September, Hua Tung will produce about 3,000 heavy duty trucks and buses a year. Eventual production, however, will be 10,000 a year when the Hua Tung plant at the Chungli Industrial Park is completed by the end of 1982. The joint venture will also produce 15,000 diesel engines a year.

Japan wins \$800m Indonesia LNG deal

BY RICHARD COWPER IN JAKARTA

A JAPANESE consortium led by Chiyoda Chemical Engineering owned oil company, means that signed contracts worth a total of is to construct two liquefied in less than five weeks Pertanima has committed itself to panies for major expansions to indonesia's Arun LNG plant in north Sumatra.

The expansion is likely to cost

The contract, signed by biggest oil exporter east of the and Mitsubishi was concluded on Chiyoda and Mitsubishi and Persian Gulf.

Chiyoda and Mitsubishi and Persian Gulf.

north Sumatra.

The expansion is likely to cost next three years.

The expansion (£380m) and is due

Indonesia is the world's large by 1984/5.

The con

try's existing refinery capacity The contract with Chiyoda



RESOLUTION of the international dispute about the level of interest rates for exports as the target date for reform, subsidy is estimated to have credits is unlikely before the Deadlock at successive meetings been about £500m. autumn. The issue, a source of since then has relegated that contention between the EEC, policy direction to the level of Japan and the U.S., has been pious hope, caught up in more general trade disputes.

under the suspices of the Consensus for the grant of ex-Organisation of Economic Co-port credit had lost touch with operation and Development, of the movements of the markets. these three major trading powers and ten other industrialised nations to discuss the to the maturity of the loan and issue broke up without reaching the nature of the country to

Another meeting may be Another meeting that the state of the called in July, but detailed discussions are not expected until set between 7.5 and 8.75 per It is prepared to accept monor than the pattern and the called the October, by which time French policy under the new leader-ship of M. Francois Mitterrand is expected to be clear.

The central question is whether to change, and if so, in sive subsidy by some European to accept a common pattern of credits at below Consensus what manner, the 1978 Arrange- governments, notably the UK interest rates for all the Con- credits at below Longensus what manner, the 1978 Arrange- governments, notably the UK interest rates for all the Con- credits at below Longensus what manner, the 1978 Arrange- governments, notably the UK interest rates for all the Con- credits at below Longensus what manner, the 1978 Arrange- governments, notably the UK ment on Guidelines for and France, to bridge the gap sensus adherents, but wants domestic rates may be le Officially Supported Export between the rate offered to that pattern of interest rates to than the Consensus level.

Latin America summit planned

insistence on early action.

separate social security prob- the people.

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

Reagan blunders on social security

economic crises enveloping central America are to be sought at a conference of central and THE SENATE Foreign Relasouth American leaders which. tions Committee will vote on the it is hoped, will be held in controversial nomination of Dr. Mexico City in August. The regional summit has U.S. back-Ernest Lefever as Assistant Sec-retary of State for Human ing and the support of the left-Rights immediately after Conwing Sandinista Government of press reconvenes from its spring Nicaragua as well as the mid-break on June 1.

It is possible that the conAdministration of President

over the social security issue.

mittee will disapprove of the Rodrigo Carazo. Though the interests of the participants are varied, all appear to want a meeting to reduce the tensions which have caused tens of thousands of deaths in the past year and brought war between Nicaragua

SLUTIONS to the military and Jose Napoleon Duarte of El intervention in central America. Salvador, his first chance to shipe in an international arena and would also allow the Soviet involvement in the Reagan Administration to forge region. a closer relationship with the military regime of General Romeo Lucas in Guatemala.

Until recently Gen. Lucas has been unwilling to take part in discussions with the U.S. on the covert civil war which is going on in his country. The General and his colleagues were upset by the Carter Administration's condemnation of Guatemala's human rights record. It is not yet clear whether the Gautemalans will

attend the Mexico City talks but it is thought to be likely.

then yo in the floor of the and Honduras very close. Mexico and Venezuela are Senate, unless the President decided to withdraw the nomination. Washington is in favour of the gathering if only because tunity to express their tirn.

Both countries also want a brake to be put on Cuban and The Honduran Government

of Gen. Policarpo Paz sees the conference as an opportunity of voicing its fears of the build-up of military forces in El Salva-dor, Honduras's long-time rival and at the growing strength of the Nicaraguan Sandinistas. The Sandinistas, for their part, are making every effort to mend their fences with their neighbours and to strengthen

relations with Mexico and Venezuela. President Carazo may be helped with his country's deep economic and financial crisis although he would prefer the summit to be held in Costa

CIA changes mind The U.S. Central Intelligence Agency has increased its estimates of how much oil the Soviet Union will produce in the 1980s, Reuter reports from Washington. The agency suggests output in 1985 will be about 10m to 11m barrels a day compared to a 1977 estimate of 8m-10m b/d.

Paul Cheeseright reports on a long-running battle for reform involving the EEC, Japan and the U.S.

Deadlock persists in dispute over export credits Credit, known as the Consensus. The Venice economic summit funds. In the UK, in the year of last June set December, 1980 to last March, the interest rate as the target date for reform. Deadlock at successive meetings The worked out on the average of money market rates for each currency. At the same time it seeks automatic change in the interest rates pattern of an sor. However, there is a feel-currency. At the same time it seeks automatic change in the interest rates, the grant of the market rates, the grant of credits by countries with an excuse by the EEC to avoid substantive negotiation. Deadlock at successive meetings

Reform was thought neces-

offered. This pattern of interest rates. some countries climbed to

double that rate of interest. This has led in turn to exten-

did not provide was a system for change in the face of alterrade disputes.

Reform was thought necessing market conditions. This sary at Venice because the inflexibility is at the heart of the recent meeting in Paris, conditions laid down in the the so far abortive reform discussions. The latest Paris meeting, delegates noted, was simply "a replay of the December

> Talks turned around the competing positions of the EEC, the U.S. and Japan: which the credit was being . The EEC position, built around the lowest common denominator provided by France, cent. But market rates for upward change in the pattern commercial credits have in of interest rates and to talk about review every six months.
>
> The U.S., traditionally

opposed to subsidies, has agreed

Japan, with a lower level of

domestic interest rates than many countries in Europe, or, indeed, the U.S., wants the freedom to offer officially backed credits from its Export and Import Bank at levels lower than the Consensus rates. Although all these positions

national conditions which surround them have changed since December in three ways. First, the climate of commercial relations between the EEC, Japan and the U.S. has deteriorated. While the U.S. seems to be taking a relaxed view of the Japanese demands, the EEC is adamant in its opposition to permitting the Japanese freedom for making domestic rates may be lower

Consensus was not a problem. Now, however, the EEC sees the Japanese demand as an attempt to gain unfair commercial advantage

There are suggestions that the EEC is seeking to trade off concessions on export credits against concessions from Japan are well established, the interin other trade policy areas, national conditions which If that is the case, then the export credits issue has been caught up in a political morass from which extraction will be difficult. It is thought that on the technical issue alone it would take at least three months to sort out the Japanese

> international conditions has away from its preference for been the change of leadership in France. It is not clear whether M. Mitterand's new Government will be as rigid in its determination to maintain

The third change is the stiffening of the U.S. position under the Reagan Administration. That is to say, the U.S. attitude, its animosity towards France, has become tougher diplomatically while the ability of the U.S. Export Import Bank (Exinbank) to compete with the Europeans has become weaker because of its lower loan authorisations and lack of top management.

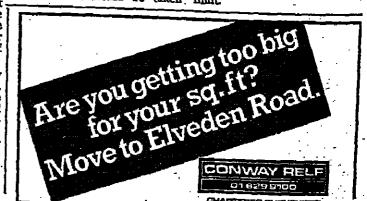
U.S. officials feel that they cannot compromise further. They argue that the U.S. gave way on maturities in 1978 and that, in the current reform dis-The second change in the cussions, it has already backed export credit interest rates to be denominated individually according to the structure of domestic money market rates.

At the same time, U.S.

This specifies that, if the other nations are unreasonable in that they burden or restrict U.S. commerce, retaliation can be taken. If Section 301 should be used, it could mean that direct action would be taken limit.

Less extreme action could involve increasing Eximbank's loan authorisations or the establishment of an Eximbank war President finds the practices of chest of funds specifically to compete with France. Meanwhile, the U.S. is maintaining its policy of breaching the Consensus selectively by offering loans outside the maturity

against French exports.



THE ONLY COMPARISON MERCEDES-BENZ NEED MAKE.

The Mercedes-Benz coupés, spiritual descendants of the Fangio and Moss SLR's and gullwings, are a very special breed of car even for Mercedes-Benz.

Comparisons with coupés of other makes or with spartan sports cars and temperamental 'exoticars' have little meaning.

Technical abstracts are shown below for the two-seat SL's (that convert magically from fully-closed coupés into open sports cars) the two-plus-two SLC's and the four-passenger CE coupés.

 $A = \sum_{i \in A} A_i e_i$

There's no need to buy these cars 'off the peg' in fact, they are customarily tailored to each owner's precise wishes in terms of paintwork, upholstery and special equipment.

A Mercedes-Benz coupé is a possession without counterpart elsewhere in the motoring world.

The least reckless supercars.

Your SL or SLC may carry you towards the horizon on unrestricted continental highways at close to 150mph.

Yet you travel in splendid calm, free of the tensions such inordinate performance might be expected to entail.

The luxury that surrounds you is not empty hedonism but a synthesis of features calculated

to obviate stress, optimise driving efficiency and defuse aggression.

The spectacular, understated wedge profile of your car has been designed initially not to turn heads but to cleave the wind so quietly that you could listen to Vivaldi whilst cruising effortlessly at the legal speed limit.

Its latest aerodynamic refinements reduce drag by 5% and increase front-end downforce by 30%, furthering economy and stability.

And the light alloy V-8 (which Motor Sport calls "a masterpiece of modern technology") or fuel-injected, twin overhead camshaft, six-cylinder engine under your command is as tireless as it is understressed.

The sanest sophisticates.

Extraordinarily, the svelte and athletic pillarless CE coupé you might alternatively choose, affords four adults the ample interior room and generous luggage space needed for long-distance motoring, be it for business or pleasure.

No other coupé comes close to its combination of elegance, comfort, quietness and intrinsic practicality.

Years from now, your CE's classic form and flawless finish will still excite admiration.

And the 2.8 litre model (with the same hightechnology six-cylinder engine as is available in the 280 SL and 280 SLC) or the 2.3 litre model (fuel-injected four-cylinder engine) will carry you smoothly and effortlessly.

Pleasure without pain.

The corollary of performance must always be safety, and your Mercedes-Benz coupé runs as far ahead of world safety legislation as it does of everything else on the road.

Its massively effective passive safety system apart, your car is designed actively to help you evade accident situations.

Trailing arm independent rear suspension, two wishbones with coils in the front and zero-offset steering hold it on course (even better than the legendary Mercedes-Benz competition cars of past eras). The air you breathe can be changed every 25 seconds.

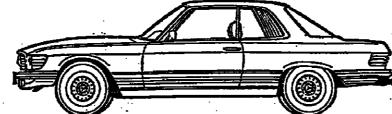
Optional, electronic ABS anti-lock braking allows you to steer round obstacles while panic-stopping from 100mph in the rain.

If you would like to drive this special kind of Mercedes-Benz, your local dealer will be happy to arrange for a car to be made available. But, remember, the only decision you need to make is between one Mercedes-Benz coupé and another, and that is a delicious dilemma.

ENGINEERED LIKE NO OTHER CAR IN THE WORLD.



SL-2-seater convertibles with detachable hard tops.
500 SL-5 litre V-8, 240DIN/hp., 0-62mph in 7.8 sers, top speed 140mph.
380 SL-tillustrated); 3.8 litre V-8, 2180 IN/hp., 0-62mph in 9.0 sers, top speed 134mph.
280 SL-28 litre 6 cylinder, 1850 IN/hp., 0-62mph in II.0 sers, top speed I21mph.

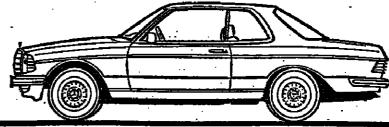


SLC: 2+2 seater fixed-head coupés.

380 SLC: (Allestrated): 3.8 litre V-8, 2180 EV/hp., 0-62 mph in 9.0 secs., top speed 134 mph.
280 SLC: 2.8 litre 6 cylinder, 1850 EV/hp., 0-62 mph in 11.0 secs., top speed 12 imph.

top speed 121mph.

Alky virsels standard on 500 SL, optional extra on all other models.



CE: 4-seater fixed-head coupés.

280 CE: (Illustrated): 28 litre 6 cylinder, 185 DNV/hp. 0-62 mph in 11.8 secs., top speed 12 imph.
230 CE: 2.3 litre 4 cylinder, 136 DNV/hp. 0-62 mph in 11.5 secs.,
top speed 112 mph (manual).

Press freedom advocates score a victory

statutory right not to disclose

The acceptance by the Government of the new clause-an eleventh hour addition to the Bill at the end of its committee stage—is an indication that the concern aroused by the case of Granada Television and the British Steel "mole" was wellcation of the law.

The clause says: "No court may require a person to disclose, nor is any person guilty of contempt of court for refusing to disclose, the source of information contained in a publication for which he is responsible, unless it is established to the satisfaction of the court that disclosure is necessary in the interests of justice or national security or for the prevention of disorder or crime."

By specifying areas in which disclosure will be ordered, the

Paper and board

demand to drop

UK CONSUMPTION of paper

and board is forecast to drop by 3 per cent to 7.3m tonues

this year and rise by 2.7 per

cent to 7.5m tonnes in 1982, according to Phillips and

Drew's latest packaging and

Following the closure of a

substantial amount of UK

papermaking capacity last

year, paper and board production is forecast to drop by

13.5 per cent this year to 3.3m

tonnes. In contrast, imports

cent to 4.3m tonnes.

are expected to rise by 15

Phillips and Drew forecasts that UK packaging output,

which fell by 12 per cent last

and 2 per cept this year and

5 to 10 per cent in 1982.

paper review.

THE ADDITION to the Contempt of Court Bill of a clause giving journalists a limited Raymond Hughes on the Contempt of Court Bill

There is, however, a catch: stage "necessary in the the phrase interests of justice." Those six words will give judges great latitude. They

that a public corporation such company, should know the identity of an employee who was leaking its confidential information.

The press would be wellover the new clause until that grey area has been tested in the

The courts will also have to "person . . . responsible" for dations of a publication. Is it to be the Committee for or the proprietors of the news-paper or television company? The new clause apart, the Bill.

essentially unshord. though substantially trimmed.

Its opponents have managed to prise some concessions from are constituted by law and the Government-more than at exercise any part of the judicial could decide, for example, that one time seemed likely, but, it was in the interests of justice in the eyes of its critics, it remains unduly restrictive founded and required a modifi- as British Steel or, indeed, a still more wolf-like than the clause, but said that because Lord Chancellor's soothing appellation sought to suggest.

Moving the Bill in the House of Lords, Lord Hallsham said it was "a liberalising measure advised to restrain its euphoria and intended to be one." It he were unable to compile a would make the law of contempt clearer and enable newspapers to know where they stood.

The intention was to impledecide who is meant by the ment the major recommen-"person . . responsible" for dations of the Phillimore Committee for reform of the author of an article, his editor, law and ensure that UK law conformed with the European Convention on Human Rights.

their sources of information is a victory for advocates of Press judges to refuse to order discretion of described by Lord Hallsham the contentious proposal to a victory for advocates of Press judges to refuse to order discretion of described by Lord Hallsham the contentious proposal to punish for contempt to "all closure in other areas.

Closure in other areas.

Closure in other areas. inferior courts, tribunals and bodies (however described and whenever established) which

> power of the State." Sir Michael Havers, QC, the Attorney-General, defended the of press anxiety, he would try to draw up a list of courts and tribunals to which the clause would apply by the time the Bill reached its report stage. Sir Michael intimated that if

satisfactory list, he might withdraw the clause altogether. Critics are worried by the spokesman as ensuring uniforunspecific nature of the clause, mity in decisions about whether as well as what they regard as its intrinsic undesirability.

The Guild of British Newsonformed with the European paper Editors said: "If the the power the Bill gives judges convention on Human Rights. Government cannot say what to order postponement of One success has been over proceedings are covered, how reports of court hearings.

are editors expected to divine what they are?"

A potentially useful amend ment has been made to the "strict liability" rule, which makes it contempt to publish anything "which creates a sub-stantial risk" ("substantial" having been added in the one amendment made to the Bill by the House of Lords) "that the course of justice in the pro ceedings . . will be seriously

impeded or prejudiced." committee Pressure in extracted from the Government the concession that cases could be brought under the rule only with the authority of the

Attorney-General. The amendment should signi ficantly reduce the number of contempt actions against newspapers under the clause. It was cloomed by an Opposition legal or not such proceedings should

be initiated. The committee also curbed the power the Bill gives judges

THE GOVERNMENT is prepared to meet the entire cost of experimental projects for cyclists drawn up by local authorities, according to a long-awaited consultation paper cycling to be published today.

aimed at enabling cyclists to pedal safely through busy urban road junctions.

Already the Government has paid half the £100,000 cost of the new Greater London Council cycle route from Paddington to Battersea, the so-called " Ambascycle route through

brough, Bedford, Chelmsford, Peterborough. Harlow and York.

Some of these projects which have led to cycle-ways have been supported by the Govern-The Transport Department is ment. The Transport Depart-prepared to pay for experiments ment has met the whole cost of the experimental part of the schemes.

> understood to he considering appointing regional cycling officials to ensure that the needs cyclists are taken into account when trunk roads are designed or improved.

port Department and the Welsh 'Ways of helping cyclists in built-up areas," said these routes could normally be

However, today's paper says cycle lanes could be marked on existing carriageways relatively cheaply. The width of cycle lanes and other aspects of design are also covered.

The Government also favours more use of disused railway tracks as cycle routes. At on the roads last least two of these have been 20,000 were injured.

cycle way and a route along the Tissington and High Peak trails in Derbyshire.

Government to pay for cycle projects

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

Hyde Park in central London.

Other local authority schemes tive about the prospects for developed, the Bath to Bitton for cyclists have been intro- segregated cycle routes. An duced in Chichester, Middles- earlier guide from the Transprovided only where compre-hensive redevelopment was

The Government is 'also

The Government is less posi-

A study has been commissioned by the Transport Depart ment of which other routes would be suitable for conversion into cycle ways.

The Government is also considering whether to require all new bicycles to meet new standards for cycle construction, lighting and braking perform-ance. It is expected to reconsider the law which bans the use of left and right turn indicator lights on bicycles. More than 300 cyclists died

At on the roads last year and

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Highland development plans 'at record level'

MORE THAN 600 applications for assistance were lodged with the Highlands and Islands Development Board, says Rear Admiral David Dunbar-Nasmith, the chairman, In his foreword to the annual report published yesterday.

Development proposals for the area were running at record levels, and this year's assistance applications totalled at most £11m. This was the best sign we could have of the continuing confidence in the Highlands and Islands" which were now "well placed to take advantage of an upturn in the economy.

Last year's investment of £12.3m in new and existing businesses was slightly below the 1979 figure and about £7m below the record 1978 figure. The private sector's contribution to development in the area brought total investment up to £38m—again slightly below the previous year.

Last year's loans and grants are expected to create or re-tain over 1,600 jobs, an important consideration in a part of the country where com-munities are small in number and distances between towns

great. Over the past 10 years, joint investment by the board and private interests have inted to £332m (at 1980 prices) and provided or re-tained nearly 20,000 jobs. Retention of jobs is important because it helps prevent rural depopulation.

Admiral Dunbar - Nasmith warns in the report that the ability to resist the recession can be maintained only by continuing investment.

"New ideas are constantly required. Those with the best chance of success are likely to be based on natural single factor in determining success is the personality and capability of the individuals carrying out the develop-ment," he says.

Highlands and Islands Development Board. Fifteenth

1985 jobless 'certain to exceed 2.5m'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

published today.

An economic review by the Manpower Research Group at the university examines the outlook for jobs up to 1985 in 49 employing activities, occupational groups and 12

The conclusion is that registered unemployment will rise to 3m in 1983 and remain at that level, with a further 600,000 unregistered unem-

The Warwick group says that the only way in which unemployment could be reduced substantially—say to 1.5m—would be through the introduction of severe import controls, though this is not advocated. The economists maintain that

convential policy will not be enough to revive British enough to industry, although a refla-tionary package which would help the supply side directly by reducing industry's costs could cut unemployment by about 500,000.

The group calls for a medium-term policy dealing

NO POLICY package is capable with: education and training for of reducing unemployment young people beyond school-much below 2.5m by 1985, a leaving age and adults: the group of Warwick University balance between subsidies to economists claim in a report capital and labour the use of employment subsidies relation to direct job creation; income policy; and the role of the government as the main agent in the labour market.

Among the detailed points made are that employment will drop by 1.16m to 24.63m be-tween 1980 and 1985. This will mainly reflect a decline of 700,000 in manufacturing

The largest proportionate fall will be in mechanical engineering, where employment is expected to drop by 4.1 per cent a year, with metals 3.6 per cent lower and a 3.4 per cent decline in textiles.

The share of manufacturing in total employment is expected to be 26.4 per cent in 1985 compared to 30.2 per cent in 1975. During 1980-85 only 50,000 of the total loss of 1.16m jobs are likely to occur in non-manual occupations.

"Review of the Economy and Employment," published by the Manpower Research Group, University of Warwick, Coventry, CV4 7AL.

Major gallery purchase

THE National Gallery has paid last year fetched £1.7m the Earl of Halifax a sum thought to be well over £1m for a 15th century German painting, it was announced

It is understood that the Earl sold the painting—thought to be the central panel of a triptych-to meet capital transfer tax after the death of his father

The late Earl of Halifax, a leading racehorse owner, left estate valued at £2.5m. The panel, entitled "The

Deposition by an unknown artist referred to as the master of the Saint Bartholomew altarpiece, was sold by private treaty.

It is said to be comparable in importance to "The Resurrection" by Dierk Bouts, an early-renaissance masterpiece which going abroad.

auction. "The Deposition," depicts the body of Christ being lowered from the cross after crucifizion, had been on loan to the gallery since 1963, The sale, completed through Christie's, was financed from

the National Gallery's 1981-82 £2.93m purchase grant voted from public funds by the Gov-Sir Michael Levey, director

of the National Gallery, said: "We believe this method of purchase, by which the owner receives a sum free of all tax and the gallery avoids pointless expenditure, is much to be encouraged.

Private treaties are also seen as an inducement to sell to a national institution, and the scheme therefore avoids, the possibility of art treasures

Record prices at New York auction

CHRISTIE'S sales of Impres- sitter as a wedding present. The the £161,904 sionist and modern pictures in price beats the previous record New York this week have begun for a Degas by \$1m. well with a two-day total of £14,308,761 and many records. Most notably, £166,666 secured Francis Bacon's triptych in memory of George Dyer painted in 1971. This is a record for the work of any living British artist. On Tuesday night, an auction record price for a painting by Degas of \$2.2m was paid by a private collector. It was for a

SALEROOM

BY ANTHONY THORNCROFT

clairiere" a 1950 sculpture by Alberto Giacometti. "Mas a Saintes-Mairies" by Van Gogh made £1m. "Nature morte aux mangos" by Gaugin realised £619,047; "Boulevard Mont-martre" by Pissarro £200,000; and "Femme au chapeau fieuri" by Matisse £180,952.

The major disappointment to date has been the failure of "Le domaine enchanté" - eight Two other artist records were paintings by Rene Magritte—to portrait of Eugene Manet, a the £180,952 from a London find a buyer. Probably, this was brother of the artist Edouard dealer which secured "Pont de because they are offered as a Manet, and was given to the Londres" by Andre Derain, and complete set.

Ray Dafter examines a report on the world market Oil prices 'should remain level'

over the next two years. The unpublished appraisal of the market shows that there the Eur should be plentiful supplies to the I meet depressed demand at least Agency. until 1983. But officials are concerned

that accidents or political prob-lems in major oil producing countries could quickly upset the balance in the short term. Over the longer period increasing economic activity could again create a tight oil market, possibly as soon as the mid-1980s.

Although the study concentrates on world supply and demand, the findings provide the basis for the Government's view on oil prices and fuel costs in general.

For instance, Whitehall offi-cials believe that the average price of crude oil—now \$35 a barrel—could rise to around \$60 a barrel (in 1980 prices) by the turn of the century. In money-of-the-day terms a 35-gallon barrel of oil could cost about

The study's short-term view of supply and demand shows that-barring some unforeseen problem-there should be little scope for major oil producers to raise prices in real terms before the end of next year. Some leading members of the Organisation of Petroleum Exporting Countries are speculating that prices will be frozen when OPEC ministers meet in Geneva on Monday.

A WHITEHALL study of world oil supply and demand suggests that oil prices should remain prepared after extensive consullevel or even fall in real terms tation with oil companies, overseas governments and inter-national bodies such as the the European Commission and Energy International

> This year, non-communist world oil demand is not expected to average more than about 46m to 46.5m barrels a day -about 1m b/d less than last year and around 9 per cent less than in 1979.

The Government's demand projections exclude estimates of the internal consumption of Iran and Iraq, now thought to be in the region of 800,000 barrels a day. On the supply side, Government officials believe that the amount of oil available should

be between 46.4m and 47m b/d,

offering considerable scope for further stockbuilding, evident in oil-consuming countries in 1979 and 1980. The International Energy Agency in Paris estimates that stocks held by its member countries—essentially developed nations but excluding France—totalled 423m tonnes on April 1—enough to meet IEA requirements for at least three months.

IEA oil demand in the second quarter is expected to be about 400m tonnes. The Government assumes Saudi Arabia will maintain high output to create pricing unity within OPEC. The study indiwithin OPEC. The study indiagain in the second half of the cates that the Saudi output 1980s. This would result in should average 10m barrels a another surge of oil price rises.

day this year—more than 40 per cent of OPEC production. Demand in 1982 expected to

remain largely unchanged. How-ever, the Government believes production may increase if

Saudi Arabia maintains high output—9.7m b/d is foreseen in the study—and Iran and Iraq manage to increase exports. Under these assumptions it is possible to foresee a build-up of stocks of between 1m and 2m barrels a day—probably more than oil companies could absorb.

Whitehall believes that after recession, demand for oil will again begin to climb. They are forecasting a non-communist world oil demand of around 53m b/d in 1985 and about 60m b/d in 1990.

These forecasts contrast sharply with views expressed recently by some major oil companies—British Petroleum included—which have indicated that oil demand might not again view ruch over 50m h/d. rise much over 50m b/d. Much will depend on whether the present depressed demand has been caused by lasting

conservation measures or as a

temporary reaction to high prices and depressed economic conditions. Officials concede they will only be able to measure the success of conservation measures when economic activity picks up. In the meantime, they are working on the assumption that the oil supply and demand balance could become tight

NON-COMMI	V TZINL	VORLD OF	L SUPPLY AN	ID DEMAND+	
DEMAND OECD countries	1979 40.7		1980† ~~ c	. 1981	_ 1982
Other (excluding Iran and Iraq) TOTAL	9.9 50.6		37.5 9.9 47.4	36.5-37.7 9.7 46.2-47.4	36.5-37.9 9.8 46.3-47.7
SUPPLY Non-OPEC (including East European net exports) OPEC production of which: iran/iraq exports Saudi Arabia Others TOTAL	21.1 30.6 51.7		22.2 26.2	22.6 23.8-24.4 1.2-1.8 10.0 12.6 46.4-47.0	22.5 23.8-25.7 1.6-3.5 9.7 12.5 44.3-48.2
Stockbuild/(draw) (exc. Iran/!raq) * Iran/Iraq consumption excluded.	LI †Pn	ovisional.	T.O	(1.0)-0.8 ran/iraq product	(14)-19

National Freight loses £7.58m

BY LYNTON MELAIN, TRANSPORT CORRESPONDENT

Freight Corporation, which the nine months could not give a Government plans to denation typical picture of performance.

likelihood of it being denation-alised this year. per cent drop in the volume of its business last year.

The corporation ceased to exist on October 1 last year. Its assets, liabilities and businesses in road haulage, cold storage, travel and removals were transferred to the National Freight Company, formed under last year's Transport Act. The businesses include British Road Services. Pickfords Removals. National Carriers and the

Tempco cold storage company. The transfer, to a limited company formed and registered under the Companies Act 1948, marked the first stage of the Government plans to sell NFC to the private sector.

The corporation made £10.32m trading profit in the nine months period as a public corporation compared with the £12m trading profit made by the Corporation in the first nine months of 1979. However this became a loss after interest pay-capital debt and f ments to the Government and from the minister. redundancy payments. The net loss of £7.58m for the period last year was almost twice the loss of £4.049m for the same period in 1979, when gross re-ceipts totalled £327m compared reserves of £59.5m. with £342m for the nine-month

period last year.

No sale of shares is expected before mid-1982. NFC derived business, but the effects of the the highest proportion of its revenue and profit from the last services shows in the report on quarter of the calendar year the performance of most of the and Sir Robert Lawrence, chair-NFC subsidiaries.

state-owned National man, said a report on the first Government plans to denamentalise, reported a net loss of a few months performance items for its final nine months of operation to September 30, Sir Rebert said he wanted to see a few months performance before he came up with a firm recommendation to the Government a sale date. NFC This poor result puts off the had suffered a 15 per cent to 18

> Mr. Peter Thompson, chief executive, said the market would find it very difficult to assess the company after the changes made over the past months. Nevertheless, the company had "got down to a stable level of employment and was

About 4,000 jobs were lost by NFC last year and redundancy payments accounted for £7.25m of the total of £8.3m of excentional charges which helped reduce the trading profit to a loss of £741,000 before interest payments on loans and capital debt to the Secretary of State for Transport.

Before last year's Transport Act, the National Freight Corporation had debts to the minister of £100m. These consisted of £50.4m commencing capital debt and £49.6m loans

These debts were written off by the Transport Act 1980. The effect was to leave the Corporation, and its successor, the

The NFC is gradually getting out of the risky and highly competitive general haulage recession on demand for freight

'W. German toolmaker results better than British'

By Hazel Duffy, Industrial Correspondent

WEST GERMAN toolmaking companies are achieving better results than UK counterparts because of greater operational efficiency rather than use of more advanced technology, says a compara-tive study published today. The report is by the Gauge and Tool Sector Working

arry. Its-introduction emphasises that this highly specialised industry is seen by other developed countries as vitally important to the realisation of the potential of new terh-nology for revitalising mass production industries and

The study committee visited eight companies in West Germany and nine in the UK. It says the fundamental reason for better performance in West Germany is the way West Germans work together in a relatively unstructured manner but with very clear understanding of individual roles and a higher sense of responsibility to make money at all levels

thus creating more jobs.

of UK and West German com-panies. Free from NEDO Books, 1, Steel House, Tothill Street, London SWIH 9LJ.

British Aerospace shows short haul craft

BRITISH AEROSPACE'S 146 four-engined feeder-liner aircraft was rolled out of its assembly hangar at the group's Hatfield, Herts, factory yester-

The aircraft is due to fly later this summer, and British Aerospace hopes to make nundreds of similar aircraft in the next

The shorthaul airliner, designed in two sizes to seat between 80 and 109 passengers, is aimed at a market which the group estimates will be 1,200 airliners worth more than \$15bn by the early 1990s. The group expects to win at least 30 per cent of that market.

The 146 has this market all to itself and there is to immediate competitor on the horizon, but rivals are expected to emerge in the 1980s.

Confident

The aircraft comes between the 70 to 80 seat jets like the Fokker F-28, and the bigger 120 seat Boeing 737s.
It is designed to replace the big turbo propellor aircraft and the first generation twin-engined jets such as the One-

Eleven and the Donglas DC-9. British Aerospace is so confident of its market that it is spending up to £350m on the 146. More than £100m has been spent already on research, design, development and initial

It has firm orders for 13 gircraft with another 12 on option,

Sir Austin Pearce, BAE chairman, with the series 100 version of the 146.

ing spares. The break even flight test programme. Produc- 250 airlines. point on the production pro-gramme is about 250 aircraft. 3 aircraft a month, a rate which orders from as many as 60 to Already 10 aircraft are taking can be increased if the orders 70 airlines in the 1980s, so by shape on the assembly line at flow in the way the group hopes the end of this decade there Hatfield. The first aircraft is due to get its certificate of airworthiness next year, and delivery to airlines will start of 1982 or early in 1983. British

later in the year.

Aerospace is confident it can By then about 12 aircraft will reach this target. A big sales have been built. Three of these campaign is under way, and will have been involved in the salesmen have visited more than

70 airlines in the 1980s, so by are employed on the project could be orders on the books as the orderbook grows.

for as many as 400 aircraft. British Aerospace believes the two versions, the series 100 146 could become the best seating about 80 passengers, and selling British aircraft yet built, eclipsing even the famous Viscount, of which more than

Construction of the 146 is the second largest civil aircraft programme in Britain after the group's work on the A-300 and A-310 airbuses. Eventually it could eclipse the airbus venture

in the number of aircraft involved. The price of the 146 is about \$11m per aircraft. The sales campaign is being conducted on the basis of high fuel economy and low noise. Lycoming ALF-502H jet engines have a "noise footprint"—the ground area affected by noise at take off and landing-which is about half that of present-day turbo propeller airliners. These aircraft are already the quietest

Very quiet

aircraft in the sky.

To be a "good neighbour" airliner at the small local airports the 146 will use, it must be exceptionally quiet.

The aircraft's four engines are said to be among the most fuel efficient developed for any airliner.

working on the aircraft: Brough, Chester, Bristol, Manchester, Prestwick, Weybridge and Hatfield. More than 7,000 workers

The aircraft will be built in the series 200 seating up to 109. Eventually there could be a military version for troop transport and other duties.

Rescue diver 'went wrong way' in search for bell

A RESCUE diver, who was try- was up against the base of the ing to find a diving bell on the SALM loading system. seabed which had separated Two American divers in the from its main lift wire, went in lost bell, Mr. Richard Walker the wrong direction, an inquiry and Mr. Victor Guiel, died on heard in Aberdeen yesterday.

The diver from the support ship Stena Welder was trying to find the bell containing two American divers after a previous attempt to hoist it to the surface had failed.

Mr. Peter Holmes, diving superintendent aboard the lost divers' vessel Wildrake, sald the rescue diver had a problem communicating with the Stena Welder and had no light with

He was tracking the umbilical lifeline of the lost bell which was lying on the bottom. But because of the large amount of slack in the cable he was following it in the wrong Mr. Holmes said he could not

go the other way because it led too far into the distance. Eventually the Stena Welder had to be moved closer to the

August 8, 1979 after the lift wire to the bell parted near the Thistle A platform north-east of Shetland Mr. Holmes of Porthcawl, Glamorgan later agreed with Mr. Reg Christie, for the families, that if the original

attempt to lift he bell by the umbilical liftline had con-inued the bell would have been successfully recovered. But the divers, who were lifted 20 to 30 feet off the seabed, wanted to be put back on the bottom and Mr. Holmes told

to follow divers' requests. the umbilical had parted they would have lost touch with the bell as well as having no method to locate it.

After going through the rescue sequence of events Mr. Chrisie listed the failures which occurred and asked whether 🖦 was "an alarming catalogue of defects to have on a vessel where you are diving." Two diving trips were necessary to find the lost bell, which Mr. Holmes replied "yes."

BP raises oil product prices

By Ray Dafter, Energy Editor BRITISH PETROLEUM has raised the price of its major oil products— with the excertion of petrol and diesel sold to the general public-by between 0.9p and 2.3p a gallon. The move, announced yester-day by the group's BP oil subsi-

by other suppliers.

BP Oil said the increase were an attempt to recover losses in the UK oil market and to offset partially the recent fall of sterling against the U.S.

diary, follows similar increases

The increases are: comme cial petrol up 1.4p a gallon, commercial derv 2p, burning oils 2.3p, gas oil 0.9p, light fuel oil 1.4p, medium fuel oil 1.8p and heavy fuel oil 2.3p.
Shell, Esso, Mobil, and Texaco
are among other companies

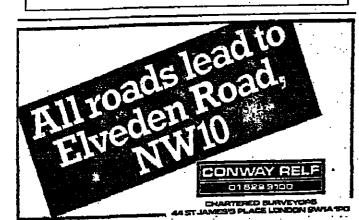
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Me dir

Robin Pauley on the row over plans to punish overspent councils

Storm over £900m grant cuts

A SPECIAL Cabinet committee attempt this morning to per-will meet today to put the finish-suade the Cabinet committee to led the case for strong action, ing touches to plans to axe choose a lower level of penalty. backed by Mr. Heseltine, who £900m in grants from local authorities as a penalty for of the committee were earlier only way to prevent a repeat overspending. A storm of pro-

severity of the measures. the resignation of Mr. Michael about the increased burden it Heseltine, Environment Secretary, and all other Ministers associated with the decision. He said the penalties would

cripple some councils, cause in- is trying hard to help. creased unemployment, and lead to large supplementary rate increases in some of the 300 or so councils likely to be plications for the education considering making a statement penalised.

These thoughts are also uppermost in the minds of a ployment Secretary, is not en- in addition to the announce-small number of Ministers who thusiastic about the possible ments to the Commons and

Even some hardline members

test has broken over the very high penalty on services attempts to control council severity of the measures.

and rates. Mrs. Thatcher interespending. Mr. Jack Smart, chairman of vened to ask about rates and larly the small businessmen a group which the Government

Mr. Mark Carlisle, the Educa- raise their rates. tion Secretary, is understood to be very unhappy about the imservice if the cuts are made in full, and Mr. James Prior. Em- the parliamentary short recess,

feels severe intervention is the

To deflect criticism about the the Association of Metropolitan Sir Keith Joseph. the Industry effect on ratepayers, Mr. Hesel-Authorities, yesterday called for Secretary, voiced his fears the persistence of the pers announcement of the penalty could place on commercial and to the Commons on June 2 with industrial ratepayers, particu- a statement about his long-term aims on rating, including a pos-sible limit on the extent to which councils will be able to

Because such a storm is brewing over the penalties, he is on June 1, the first day after local authority leaders at 3.30

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1981-82 target	1981-82 budget	Excess	Excess	1981-82 grant	Potential grant loss
	- un	<u> </u>			
22.02	29.47	7.45	33.9	0	_
44.44	55.20	10.76	24.2	0	-
39.65	45.75	6.10	15.4	19.91	30.64
125.50	147.78	22.28	17.8	70.62	3T_55
148.71	191.12	22.41	13.3	93.47	23.98
154.91	. 174.25	19.34	12.5	70.47	27.44
63.98	76.82	12.84	20.1	38.36	33.47
65.50	74.85	9.35	14.3	38.90	24.04
85.93	96.73	10.80	12.6	75.95	14.22
56.73	63.25	6.52	11.5	47.24	13-80
136.27	153.46	17. 19	12.6	55.79	30.81
140.91	154.81	13.90	9.9	72.25	19.24
28.24	30.93	2.69	9.5	18.28	14.72
103.64	112.64	9.00	. 8.7	68.31	13.08
2.25	3.82	1.57	69.6	2.34	67.09
4.13 4.89 2.69	6.70 6.84 3.70	2.57 1.95 1.01	62.4 39.7 37.8	2.56 3.68 0	100.00 52.99
	22.02 44.44 39.65 125.50 168.71 154.91 63.98 65.50 85.93 56.73 136.27 140.91 28.24 103.64 2.25 4.13 4.89	1981-82 target £m £m 22.02 29.47 44.44 55.20 39.65 45.75 125.50 147.78 168.71 191.12 154.91 174.25 63.98 76.82 65.50 74.85 85.93 96.73 56.73 63.25 136.27 153.46 140.91 154.81 28.24 30.93 103.64 112.64 2.25 3.82 4.13 6.70 4.89 6.84	1981-82 target budget £m £m 22.02 29.47 7.45 44.44 55.20 10.76 39.65 45.75 6.10 125.50 147.78 22.28 168.71 191.12 22.41 154.91 174.25 19.34 63.98 76.82 12.84 65.50 74.85 9.35 85.93 96.73 10.80 56.73 63.25 6.52 136.27 153.46 17.19 140.91 154.81 13.90 28.24 30.93 2.69 103.64 112.64 9.00 2.25 3.82 1.57 4.13 6.70 2.57 4.89 6.84 1.95	target fm budget fm \$\frac{\pmathbb{Excess}{\pmathbb{Em}}\$ \text{Excess} \text{Excess} \text{Sm} \text{ \$\frac{\pmathbb{E}{m}}{\pmathbb{E}}\$ \$\frac	1981-82 target 1981-82 budget Excess Excess grant 22.02 29.47 7.45 33.9 0 44.44 55.20 10.76 24.2 0 39.65 45.75 6.10 15.4 19.91 125.50 147.78 22.28 17.8 70.62 168.71 191.12 22.41 13.3 93.47 154.91 174.25 19.34 12.5 70.47 63.98 76.82 12.84 20.1 38.36 65.50 74.85 9.35 14.3 38.90 85.93 96.73 10.80 12.6 75.95 56.73 63.25 6.52 11.5 47.24 136.27 153.46 17.19 12.6 55.79 140.91 154.81 13.90 9.9 72.25 28.24 30.93 2.69 9.5 18.28 103.64 112.64 9.00 8.7 68.31 2.25

		T UNDERSPENDERS		
AUTHORITY	1981-82 target £m	1981-82 budget £m	Underspend £m	Underspend %
Wandsworth (Con.)	50.58	43,49	7.09	-74.0
Merton (Con.)	47.39	45.37	2.02	- 43
Kensington/Chelsea (Con.)	28.10	26,90	1.20	- 43
Solihuli (Con.)	46.55	46.08	0.47	- 1.0
Doncaster (Lab.)	78.83	78.54	0.29	- 0.4
Rotherham (Lab.)	64.43	64.29	0.14	- 0.2
Dorset (Con.)	139.82	139.80		0.0
Northants* (Noc.)	133.21	133.21	_	0.0
Eden (Ind.)	1.14	0.85	0.29	-25.4
Corby (Lab.)	2.43	7.89	0.54	-23.0
Forest Heath (Con.)	1.38	1.19	0.79	-14.2
Sevenoaks (Con.)	5.29	4.27	1.02	-19.9
Swale (Con.)	4.42	3.74	0.68	-15.3

Under Conservative control when the Budget was approved.

following day.

The Government asked councils to reduce the volume of their current expenditure in 1981-82 by 5.6 per cent compared with their outturn expenditure in 1978-79. This target has been missed by £900m in this year's budgets, and that is the amount which the Government is planning to withhold in grants. If revised budgets show reduced spending plans, the Government will release the

equivalent amount of grant. Today's Cabinet committee meeting will be considering some Environment Department figures which show that some of the worst overspending is by Conservative-controlled councils.

All but two of the shire counties in England are over the target. All but one (Durham) was Tory-controlled or controlled by Tory independents at the time the budgets were fixed.

A further difficulty is that most of the counties plan to spend less than the Government has assessed they need to spend to provide a standard level of service, and one matter to be decided today is whether some can be let off for this reason

The difficulty is that the counties account for more than half of local government spending and because most of them have overspent, any relief allowed will make it impossible to get near the desired level of penalty to eliminate the over-

This problem is compounded by those councils which cannot be penalised because they do not receive any grant—Camden in London and Crawley, Sussex, for

example.

The Government will also be embarrassed by the fact that two of the best underspenders-Wandsworth and Kensington and Chelsea, both in London-were among those most badly affected by the new system of allocating grants. This meant that in spite of their thrift they had to levy very high rate rises this year to make up for the lost grant.

The results are causing widespread confusion in the City, which is nervous about councils which the Government regards profligate. Southwark, penalised last year, is under spending the new target by 0.1 per cent.

Other councils not previously regarded as extravagant, such as Buckinghamshire and Harrogate, occupy the black spots held last year by authorities such as Lambeth in London, and

HQ sale shields £374,000 **CBI** loss

THE Confederation of British Industry, which last week made 31 of its 400 staff reloss of £374,000 during 1980. The deficit came despite an increase in income of £1.153m -more than £lm of it from subscriptions—to members'

However, the deficit was set off against income from the sale of the lease on the CBI's former headquarters in Tothill Street, Westminster, leaving a net surplus of

Last year the CBI moved to the Centre Point block in London, and the high rates bill there contributed to last week's redundancies.

The capital cost of the transfer to Centre Point was contained within a £3.5m limit set by the confedera-tion's finance and general purposes committee.

Yesterday's annual meeting in London included a tribute to Sir Terence Beckett, who became director general after the death of Sir John Methven last year, from Lord Robens, chairman of Johnson Matthey. Sir Terence had a controversial introduction to the post after comments about government policy at last autumn's annual conference.

£10m order for Swan Hunter

SWAN HUNTER on Tyneside has won an order for a £10m nuclear fuel carrier — its second contract in less than a fortnight.

It was placed by British Nuclear Fuels and is scheduled for delivery in

Several orders from Far Eastern owners are expected to be announced shortly with Hong Kong's C. Y. Tung group believed to be close to signing contracts with UK

MP wants no tax on all savings

TAX EXEMPTION on all forms of savings was urged yesterday by Mr. Dick Taverne, the former Labour MP who is now on the steering committee of the Social Democratic Party. Speaking to the Stock

Exchange northern unit conference in Liverpool, Mr. Taverne said that confining tax concessions to homehuying and pensions re-stricted levels of liquid savings available for invest-

Closure will help London Brick return to full-time working

BY ANDREW TAYLOR

LONDON BRICK is to return work would not start until the struction industry order books to full-time work next month. economic outlook improved. The company's 5,500 workers London Brick warned the have been on a four-day week closure costs at Ridgmontsince last October.

Mr. Jeremy Rowe, London Brick chairman, said the company will go back to normal working after the closure of its Ridgmont works in Bedford-shire at the end of this month, with the loss of 1,100 jobs.

The Ridgmont works accounts for about 16 per cent of the company's annual brick pro- ably because of increased duction. Mr. Rowe told share activity in the private house holders at London Brick's building market.

annual meeting yesterday that Deliveries by London Brick, annual meeting yesterday that

London Brick intends build a £40m brick works at of brick price increases. Ridgmont but Mr. Rowe said

closure costs at Ridgmontestimated at more than £2mcould wipe out trading profits in

the first half of 1981. Last year, London Brick pretax profits dropped from £12.8m to £10.7m. Brick profits fell 200m £11.6m to £8.7m.

There have been recent signs that the sharp drop in UK brick deliveries has slowed consider-

the reduction in output as a which fell by 25 per cent in result of the Ridgmont closure the first quarter of 1980 com-"will enable us to revert to pared with the same period a normal full time working at year ago, rose slightly in April.

other plants."

Some of this improvement reflects increased buying ahead A slight improvement in con-

is suggested by new figures pub-London Brick warned that lished by the Department of the Environment. According to them, orders for construction work rose by 5 per cent in the first quarter of 1981, although they were still running 5 per cent below the level recorded 12 months earlier.

Expressed in constant (1975) prices, orders for public sector housing increased by 2 per cent during the first three months of the year but remained 42 per cent down on the same period in 1980. Private housing contracts showed a 12 per cent rise over the January-March period although they remained 11 per cent lower than in the first three months of last year.

The DoE figures show public works rose by 9 per cent in the first quarter and also showed a 10 per cent increase

Ezra defends expansion of EEC coal industries

BY MAURICE SAMUELSON

SIR DEREK EZRA, chairman limits to the further growth of of the National Coal Board, yesterday defended the longterm expansion of the coal industries in Britain and Europe. He said it would be foolish to endanger them by stepping up because of short-term price advantages.

Sir Derek's warning—given in London to a conference of Euro-MPs—followed Monday's claim by the Institute of Economic Affairs, that the NCB's expansion schemes were based on out of date assumptions about the industry's

growth.
"Given economic recovery. growth in the total UK coal market, which declined under recession from 128m tonnes in 1979-80 to less than 118m tonnes in 1980-81, would resume because there would be fuel by an average of 43.8 per for young people's success in continuing rises in the oil price. cent. continuing rises in the oil price, cent.

natural gas and a slow rate of nuclear development," he said. Nevertheless he expressed concern about growing imports of cheap coal

 Britain's miners last week achieved their highest productivity record for eight years, the NCB said. They mined 2.415m tonnes of coal, equal to 2.53 tonnes per man-shift (com-pared with the earlier record of 2.47 tonnes).

 The National Coal Board was urged yesterday to keep further price rises to an absolute mini-Mr. Patrick Cooper, mum. retiring president of the Coal Merchants' Federation. complained that in the past year merchants had passed on to customers four NCB price rises, which put up the cost of solid

GCE system lacks balance, MPs told

By Gareth Griffiths

BRITAIN'S secondary school examinations lacked balance and did not emphasise the importance of the application of academic knowledge to the solving of problems, the Industry Department said yesterday in evidence to MPs.

The Department submitted a memorandum to the Commons' Select Committee on Education, Science and the Arts. It said it was important employers should take a greater interest

Many employers saw the system as beyond their influence. This led them to use GEC O-level certificates unselectively. This meant students sat subjects not necessarily in their own interests

The Department criticised the system's failure to take account of non-academic skills essential

Allegation against bank withdrawn

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

AN ALLEGATION that the George First National Bank of Chicago directors. misrepresented the financial Harmil contended that the strength of the Stern group of loan and guarantees were companies shortly before the obtained as a result of the group collapsed was withdrawn

in the High Court yesterday.

The allegation, which the bank denied, was made in an therefore not liable to the bank. action in which the bank They counter claimed damages repayment, interest of a £240,000 loan to Harmil Securities, guaranteed by Mr. Michael Harris and Mr. dispute.

Harmil contended that the bank's alleged misrepresenta-

Mr. Justice Parker was told yesterday that terms had been agreed for disposing of the

Harmil, Mr. Harris and Mr. Miller withdrew their allegations of misrepresentation negligence and breach of contract, and agreed to pay the bank £70,000 by instalments.

If there was any default on the instalments, the bank would be entitled to judment for the whole of the £240,000, with

The counterclaim would be

John Elliott and Christopher Lorenz on the NEB-NRDC merger

Technology body plans accelerate

Frederick Wood has laid the groundwork for gradually merg-ing the National Enterprise Board and the National Research Development Corporation has taken almost everyone involved by surprise.

In just over three months he has drawn up a plan for progressively combining the organisations, persuaded the board members and senior staff of both organisations to back him, designed a patriotically coloured common logo, and brought himself to the brink of appointing a common chief executive. And he has carried Sir Keith Joseph, the Industry Secretary, with him.

Inevitably there is apprehension in both organisations about what is happening and about how the proposed British Technology Corporation will even-tually settle down in offices now being built for the Development Corporation in the Elephant and Castle.

But there also seems to be a feeling among the staff of both the Enterprise Board and the Development Corporation that the time is right for a merger, now that the board's more controversial industrial interven-tion role has been reduced and the Corporation's industrial investments increased.

If there is any unhappiness at the board it is that the organisation is about to go through yet another upheaval, having never had more than about 12 months' continuity of chairmanship and direction since it was set up in 1975.

But it is also recognised that the marriage could set it on a £50m of Government funds. constructive and stable path which should allow it to survive the political swings of Left- and Right-wing industrial policies in the future.

within the corporation, there that the merger should be resisted. Sir Frederick has informed the corporation's staff unions—the clerical workers' union APEX and the Institution in the past six months asking for of Professional Civil Servants-

Some executives feel the corporation could have carried out



Sir Frederick Wood

Even before the link with the Board was mooted, the corpora-tion was questioning whether it needed to change the way it does its industrial business according to Dr. Jim Cain, the corporation's managing director.

of support.

About half the new projects

development licensing activity.
The Board, by contrast,
Iaunched less than a dozen new ventures but invested about

partly from the Government encouraging it to broaden and loosen the criteria for the sort Despite some mixed feelings of project it will support, and partly from a sustained markethas so far been no suggestion ing drive over the last three

Mr. Steven Dolland, the corporation's marketing director, details of innovation projects needing support.

But there has also been a growing concern inside the corguide for would be clients. The the changes it needs to make to poration about the lack of guide stresses that it is not a improve its operations without financial return from this side source of subsidised finance of the injection of the Board's of its operations. Its profit-financial expertise. But others ability of £11.9m pre-tax in 1979-argue that it is already fully 1980 (roughly the same amount possible investments than is stretched handling applications as the NEB's new venture pro-fits for 1980), still rest entirely

on its licensing to the outside world of British academic inven-The main change under co sideration within the corpor

tion has been a broadening the type of financial support t corporation gives industrial cu tomers, so as to introduce mor flexible NEB-type equity an loan funding.

The corporation has traditionally funded industrial innovations.

tion almost exclusively throug joint venture finance, unde which it takes a 50 per cer share in development an launching costs, but receives return only in the form of percentage levy on sales over limited period. As a result, the corporation

has been unable to profit to substantial degree from it most successful industrial projects, notably the ICL 1900
series of computers, in which
it invested £4m. More equity
financing, it is felt, could improve significantly the prospect
of a greater return of a greater return.
One particularly successful scheme it has introduced is called the Small Companies In-

In the financial year which ended on March 31, the corporation made a record 172 various forms of loan and various forms of 10000 vestment Fund, launched with investments, nearly twice as equity in packages of £10,000 to £60,000. Already it has made committed an additional £16m about 15 investments. This will link up with the

About half the new projects were in private industry, the rest falling within the corporation's public sector research and loans of up to £50,000 to small businesses and is now complet-ing its first deals. Small businesses have become

a more important area for the board which has been develop-The growth in the corpora- ing various venture capital tion's industrial business results and management consultancy arrangements both in its head office and in its regional branches in the north-east and north-west. The corporation also has a

more general interest in small businesses since nearly two-thirds of its 300 industrial investments employ less than 200 has written to 28,000 companies people, a fifth are new enterprises and a half involve a corporation stake of less than £30,000.

usnal. such as the boars. It also stresses that it works micro-chip venture.

NER Cons	hatshilo	Droff
	ACCOUNT	1980
	Ĺm	£m
Turnover	123.5	2129
Operating loss	before	•
	(.8)	{21.8
	424.53	
	(35.2)	
of accordated		
	4.0	167
		(5.1)
(receivable)	(7.0)	2.6
Loss before		
	(24.1)	(7.7)
	4.5	5.7
	(28.6)	(13.4)
	1.0	(4)
	/20 /3	(120)
	(27.0)	(13.0)
items	1.5	3.0
Loss after		
	•	
items	(31.1)	(16,0)
Return on		•
capital		
employed	(15.3%)	4.8%
		<u>.</u> .
	NEB Constand Loss and Loss and Loss and Loss and Loss and Loss and Losses on Herbert Share of profits of associated companies Interest payable (receivable) Loss before taxation Taxation Loss after taxation Minority Interest Loss before extraordinary items Extraordinary items Loss after extraordinary items Loss after extraordinary items Loss after extraordinary items	NEB Consolidated and Loss Account Turnover 123.5 Operating loss before expectional item and interst (.8) Losses on Herbert (35.2) Share of profits of associated companies (31.1) Interest payable (receivable) (7.0) Loss before taxation (24.1) Taxation (24.1) Taxation (28.6) Minority interests Loss after taxation (29.6) Extraordinary items (29.6) Extraordinary items (1.5) Loss after extraordinary items (31.1) Return on capital

The consolidated profit loss account shows that the NEB and its companies excluding Rolls-Royce and BL which have been transferred to the Department of In--made a group less of £24.1m before tax in 1980. If lesses of £35.2m are excluded for Herbert, the machine tool company which was disposed of during the year, the NEB's other activities show a profit before tax of £11.1m.

wherever possible in partner-ship with the private sector and tries to return-its ventures to the private sector when they become viable.

The task for Sir Frederick and his new chief executive will be to weld the two organisations together in such way that the board's entrepreneurial approach has a significant influence on the older, more bureaucratic corporation,

his work to have been successful if, within four years or so. a series of successful enterprises emerge, including both small businesses and what he "concept companies

UK NEWS-LABOUR

for jobs may lose benefits

THE GOVERNMENT is con- or training places under the Manpower Services Commission halting the payment of supple have failed to find a job. mentary benefit to unemployed young people who refuse to the Government was still some take up an offered place under the Youth Opportunities way from meeting this requirement. Therefore, the prospect

introduced until the Govern-ment had reached its target of could not be ruled out. being able to offer a place

party House of Commons select committee on employment that consideration was being given to the idea which is at present compulsory.

Mr. John Gorst, Tory MP for North, asked whether

sidering, as a long-term aim, YOP for all 16-year-olds who and other organisations. Mr. Mr. Prior aeknowledged that possibility. . . .

Youths refusing to train

rogramme. of halting benefit payments to The system would not be those who refuse YOP places

MPs referred to proposals in the programme to all first suggested last year by Mr. Mr. James Prior, Unemployment Secretary, told the all-more Rouse of Communication of the committee for a system of unpaid voluntary work by the unemployed. He

Such a proposal, though, Hendon North, asked whether would depend on the Govern- there was any possibility of the ment being able to offer, as is total going beyond the 3m figure its intention, work experience which has been forecast by the

acknowledged

The Treasury forecast of the adjusted level of unemployment —2.3m in 1981-82—had already been exceeded and was likely to continue, he said.

The Manpower Services Commission will today launch its long-awaited initiative on training. Mr. Prior laid stress in his evidence to the committee of the necessity for training to be emphasised more in the running of the YOP.

He said that consideration would be given to the way in which the industrial training boards in Northern Ireland are run as part of the review of the role of training boards in the rest of the country.

Unions warned on quality circles

BY NICK GARNETT, LABOUR STAFF

not to agree to quality circles today to try to resolve the diswhere these would undermine pute over unofficial stoppages existing machinery for negotia-

on and consultation.

Guidelines were agreed by output.

Guidelines were agreed by output.

The unions want the discounting to be abolished; tion and consultation. the TUC general council yes-

groups of workers and other personnel which meet to discuss Ford has introduced them at a few UK plants, but at a preliminary meeting last month

Union officials and Ford

Education

centre to

be set up

THE TUC has advised unions management will meet again

ciplinary code to be abolished; Quality circles are small it was introduced in November, notices repeating this and fur-roups of workers and other The company will do so, pro- ther notices relating to the vided it is replaced by other quality control and production machinery, agreed with the operating with the company in problems. They are being set unions, which management is transferring employees to areas up in a number of companies. satisfied will act as a deterrent of work affected by unofficial

to unofficial strikes.

One possibility for discussion today is tighter responsibilities stoppages.

Stoppages.

A further 750 workers at Ford's Dagenham assembly on Ford's "After Japan" efficiency proposals, unions re-identity proposals, unions re-jected quality circles. The stewards in dealing plant were laid off last night with unofficial action, than to add to the 10,000 already existed before the code was laid off at various sites and the

Such self-policing was encapsulated in proposals rejected by the unions in 1977.

Those proposals involved a specific chain of action on the part of stewards: warning unofficial strikers that they are in breach of procedures; posting ther notices relating to the avoidance of lay-offs and co-

10,000 on strike at Halewood.

By Our Labour Editor PLANS FOR a national trade union education centre, costing about £3m to set up, were voted through the TUC general council yesterday despite the oppo-sition of the largest affiliate, Transport and General secretariate.

Workers Union.
The TUC intends to convert the former Hornsey College of Art in North London into a residential training school with

room for 60 students. A request to the Government for help with the capital cost was turned down. Before leaving office the Labour Governwould eive £lm

The TUC is to negotiate preferential loans with unions, and will allocate a third of next year's increase in affiliation The fee is due to rise from 40p per member per year to 47 p from January 1. Another 11p per member will be raised in 1984 when the college is due to open.

Duport steel plant picket abandoned

By Robin Reeves,

A TWO-MONTH trade union picket of Duport's Llanelli steelworks, closed in March with the loss of some 1,200 jobs. was abandoned yesterday, allowing more than £1m worth of finished billets to be removed

The decision to give up the blockade came after local steel union officials explained that there was no possibility of the British Steel Corporation taking over the plant. The works, which produced engineering steels, was excluded from BSC's Government-backed takeover of Duport's steel interests earlier

The company has agreed to pay the men an extra lump sum bonus on top of the redundancy

Time Out staff are dismissed

THE 40 full-time staff of Time Out, a London weekly magazine, were dismissed yesterday following the breakdown of negotiations to end a three-week pay dispute.

Journalists arrived at magazine's Covent Garden offices in the morning and read a statement from Mr. Tony Elliot, Time Out's publisher and proprietor. It said they had ceased to be employed by the company.

Power pay deal

30,000 electricity ABOUT supply workers have won an average 10.3 per cent pay in-crease. This makes them the latest group of public sector workers to break the Government's recommended maximum of 7 per cent for the current wage round.

Aerospace vote

ABOUT 1,200 hourlypaid British Acrospace workers at Hurn Airport, voted three-to-one to accept a pay offer marginally above the 9 per cent they rejected last month.

Bank workers block affiliation move

BY NICK GARNETT, LABOUR STAFF

THE Banking, Insurance and meeting in Washington DC. Finance Union has again ASTMAS will continue to blocked an attempt by the attend meetings of Fiet's insur-Association of Scientific, ance committee. Technical and Managerial Staffs Bifu has been to affiliate to Fiet, the international white-collar union

oppose ASTMS involvement in strengthen its position. Fiet's insurance committee. His

Fiet's banking committee.

The veto was used at a Fiet Provincial has been rejected.

Bifu has been involved in a very limited recruitment battle with ASTMS in banking and does not want to see ASTMS -Mr. Leif Mills. Bifu general which only has a small banking. secretary who also sits on the as distinct from insurance Fiet council, said Bifu did not membership — use Fiet to

ASTMS said vesterday that it union, however, had decided to had concluded further pay opopse ASTMS involvement in deals in insurance. These included 11 per cent on salaries Mr. Mills said ASTMS at the Friendly Provident, 12 assised that it would want per cent at Britannic and 10.8 to involve itself in Fiet's bank to 11.9 per cent at the Counion activities if its was operative Insurance Society. A 9 per cent offer from

Any debate on immunities condemned as 'irrelevant

BY JOHN LLOYD, LABOUR CORRESPONDENT

MR. KEN GILL, general secre- softly" approach "would not tary of the white-collar en- stop the anti-union diehards irrelevant.

between the hawks and the the bipartisan policy on wets. Discussion is only possible on the basis of acceptance of the 1980 Employment Act," he said at the union's annual conference at Bournemouth yes- Left-wing organisations.

judgment made last • The National Graphical Assomonth by Lord Denning in the ciation yesterday submitted evi-Hadmore versus Hamilton case, dence to the TUC and to the involving the film technicians' Secretary of State for Employunion ACTT, had meant that ment contending that the Green "secondary action" had been Paper contains "inaccurate, defined to include almost all inconsistent and divisive arguvarieties of industrial action, ments which will not construcsaid Mr. Gill.

Mr. James Prior's "softly of industrial relations."

gineering union AUEW-Tass, spattered about the Tory back-condemned debate over the benches baying for blood. They Government's Green Paper on can't even distinguish between trade union immunities as Jim Prior and Mick McGahey.

The conference "It is an argument only motions calling for and end to etween the hawks and the the bipartisan policy on end to the bans and pro-scriptions still existing in the Labour Party against other

> dence to the TUC and to the tively lead to the improvement

Cement plants action fear

CEMENT WORKERS' leaders subsequent increases for skilled

warned yesterday that they intend to begin industrial action over pay next week. A joint delegate conference

called by the Transport and General Workers' Union and the General workers' Union and the General and Municipal Workers' Union "substantialy" rejected the employers' offer, according to union leaders.

In the wind the prevailing rate of inflation.

The conference decided to call for industrial action from May 27 in what the unions see as the The unions estimated that the offer to the 7,000 process workers is worth incomes work.

kers is worth increases of about 8.5 per cent, with an hour off the working week to reduce it to 39.

workers and drivers. Process workers earn between £80 and £100 a week, including overtime and shift payments.

The unions are claiming rises in line with the prevailing rate

ing to rule, Mr. Peter Evans, TGWU national secretary for the industry, said that because Though the number of wor- the cement industry was a conkers directly involved is small, tinuous process, the action, the outcome of their negotiathough limited at present, would tions is likely to set a lead for have a speedy effect.

BMA seeks meeting with Jenkin BY GARETH GRIFFITHS

on the Government's decision to tors' pay from 9 per cent to 6 per cent, to keep it within public service cash limits.

THE British Medical Associa- Health Service conditions if the tion has asked for an emergency Government is not prepared to meeting with Mr. Patrick Jen-kin, Social Services Secretary, reduction has eased the Governcut the recommendation on doc-

Mr. Anthony Grabham, BMA council chairman, said yester-A' meeting is expected early day the Government's decision next week. The association will was a serious matter with conpress improvement of National siderable implications.

Government accused of 'fiddling' iobless total

By Christian Tyler, Labour Editor

accused vesterday of "cheeseparing" on the services to the unemployed when other countries were increasing their efforts during the economic recession.

TUC leaders, protesting about proposed changes in the rules for registration of the unfor registration of the unemployed, also charged the Government with trying to
manipulate the jobless
statistics in its favour.

The TUC's anger is the greater since it lost a vote at a noisy meeting of the Manpower day when the proposal was discussed.

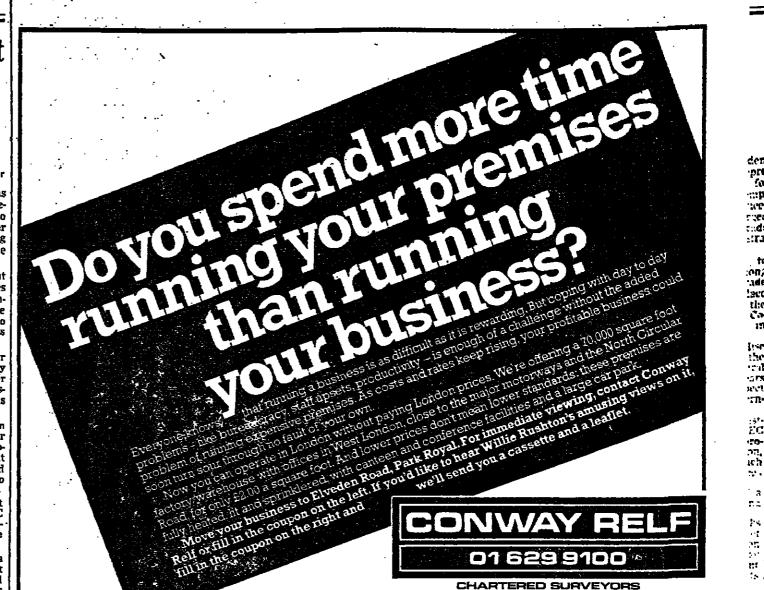
majority of the Commission agreed to support a move for voluntary registration of jobat Government hunters employment offices provided it allowed the service to remain effective. Mr. Ken Graham, assistant general secretary of the TUC

and a member of the Com-

mission, said that was "like trying to square the circle." Voluntary registration was a fundamental change that would deprive the MSC and others of important labour market information, weaken people's chances of getting new work, and would ultimately undermine the impor-tant counselling function of

job centres, he said. Yesterday leaders of two civil service unions met Mr. James Prior, the employment secre tary, to protest at the plan. They said the report by Sir Derek Rayner on which the plan is based was biased, subjective and political.

The unions said there was more emphasis on hunting down scroungers than on helping the unemployed.



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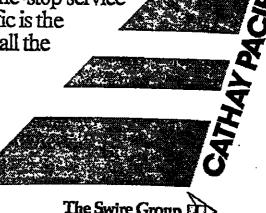
A Cathay Pacific exclusive From July 1st there will be only one airline operating a daily, one-stop service

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The Swire Group

to the

threat of

the alien

menace

By John Hunt,

MPs alerted

that at least four members believe he decision to be wrong, primarily on economic grounds. The split in the committee, ! has a Conservative still surrounds critical aspects chairman, five Tory members, of the Trident programme, Democrat, is along party lines. clear is to be immune from the are partly dependent on deci- the Labour members on the

AN INSIDIOUS THREAT to the mental stability of the nation was exposed in the Commons yesterday by Mr. George Foulkes (Lab., South Ayrshire). The victims become sullen and listless, their eyes glaze over and in the final stages they are completely oblivious to their surroundings.

Mr. Foulkes's warning came immediately after Sir Ian Gilmour, Deputy Foreign Secretary, had mumbled through an hour of foreign affairs

questions in his usual languid manner. But surely the portly Scottish MP could not be referring to the numbing effects which Sir Ian's delivery has on the Commons?

Our doubts were confirmed when Mr. Foulkes said that exposure to this new horror could result in addiction. As far as is known not a single instance has been discovered of an MP becoming addicted to Sir Ian's speeches from the Government front bench. It turned out that Mr.

Foulkes was referring to Space Invaders and other electronic games which he believes are a "force for evil" among the young.

As in all the best science fiction stores the alien menace first came to his attention in prosaic, everyday surroundings. Mr. Foolkes was alerted to the threat by a warning from the head teacher of the Cumnock Academy in South Ayrshire. Since then his investigations showed that young people are becoming so dominated by the machines that they resort to theft, blackmail and vice to get the money to satisfy their craving.

Despite Mr. Foulkes's Inrid descriptions, giggling MPs persisted in treating the whole thing as a comedy rather than an X certificate production. Undeterred, Mr. Foulkes advised them to go incognito to a cafe or arcade to see for themselves the full

herror of what was going on. "We might addicted ourselves," objected one sceptic.

There were, said Mr. Foulkes, 80,000 machines in Britain each making at least £200 a week--a profit which seemed to annoy him as much as the alleged harmful effects on young people. His answer was a Bill giving local councils the power to license the machines and ban children under 16 from using them.

This brought an indignant Mr. Michael Brown (C., Brigg and Scuntherpe) to his feet with an admission that he was an avid player of Space Invaders and had been enjoying a game against two friends over "an innocent half pint" that very lünck-

time. Mr. Brown found the proposed Bill "quite outrageous and ridiculous," a typical attempt to extend the "socialist belief in restriction

BY JOHN LLOYD, LABOUR CORRESPONDENT

Labour Party leader, yesterday a

speech to the annual conference

of AUEW TASS, the white-col-

lar section of the Engineering Union, Mr. Foot said: "Tony

Benn says a lot of different things. I think when he puts his

case he denigrates what was

done by the last Labour Govern-

ment and doesn't put it in its

In his speech earlier to the

TASS conference, Mr. Foot had

defended that Government's role in instituting progressive policies, especially in the em-

ployment field. He said that the

next Labour Government would

bring in a new Employment

Protection Act to restore and

extend the provisions of the earlier legislation.

In his interview, Mr. Foot

said that Mr. Benn had a right to stand for the deputy leader-ship, but that "the question is

a matter of judgment, not of

rights, particularly at the moment when the Labour Party

should concentrate on its

Asked if he saw a parallel

between Mr. Benn's actions and

his own as a leading Left-winger

in the Bevanite group in the 1950s, Mr. Foot said there was

"a great difference" between

"The policies we are going to put into operation are not Right-

wing or reactionary. I was fighting 20 years ago a Labour move-

supreme objectives."

proper perspective.

MR MICHAEL FOOT, the appeared to be moving towards

strongly criticised Mr. Tony lateralist and multilateralist Benn—one of the two con-tenders, with Mr. Denis Healey, Labour Party.

for the deputy leadership of the party—for "denigrating" the last Labour Government for a lack of judgment.

About 1 and 2 and

lack of judgment. whether unilateralist or multi-In an interview after his lateralist should make common

and control " over the harmless pleasures of the young. He called on MPs to reject this "petty minded socialist measure," which they duly did by a majority of 20 (114-94).

Nevertheless, it is doubtful whether the Commons has heard the last of the little green men. According to Mr. Foulkes, waves of even more advanced machines are ready to move in when youngsters lose interest in the

reconciliation of the uni-

cause, Mr. Foot said that "these

this dual position can be seen as being in line with the 1980

Labour Party conference, which

passed both multilateralist and

unilateralist motions. However.

the party's national executive

committee and others within the party and the trade unions

have interpreted the conference

decisions as a commitment to

Our Labour Editor adds: Mr.

Benn has been given the cold

shoulder by officials of the

Left-wing Transport and General Workers Union in his

efforts to drum up support from

presence at a fringe meeting

Mr. Benn will be holding in

Brighton on the eve of the

union's delegate conference are

The formal reason is that the

TGWU does not recognise

fringe meetings at Its biennial

delegate conferences. Beneath

the surface there is consider-

able anger about Mr. Benn's attempts to sway union

One member of the union's

executive said he regarded Mr.

Benn as an opportunist who had

seized on policies drawn up and fought for by the trade unions

in order to advance his own

the union's rank and file. Requests for an official TGWU

unilateralism.

being ignored.

delegates.

Mr. Foot's endorsement of

words are the plain truth."

Callaghan warns against Navy reductions

AT LEAST 25,000 British (troops should be brought home from Germany, Mr. James Callaghan, the former Prime Minister, suggested in the Commons last night when he warned against drastic reductions in the Royal Navy's surface fleet in order to

contain the cost of defence. In a speech acclaimed by a substantial number of Government supporters—as well as by many Labour MPs—he argued that the preservation of the Navy's traditional role as the guardian of the trade routes remained vital, both for Britain and her parmers in Nato. Mr. Callaghan, who also in-

dicated that he might be prepared to back the strengthening of Britain's nuclear deterrent through the acquisition of Trident, linked his call for maintaining adequate defence forces with another demand for the expansion of the economy.

His speech, on the second day the big defence debate, followed an earnest appeal to the Government from Mr. Julian Amery (C., Brighton Pavilion), a senior backbencher and fice of the counter-inflation



Callaghan: "Navy's role as

Prime Minister to guard herself. from sharing the fate of two leaders of the Conservative 1930s - Neville Chamberlain and Stanley Baldwin-who were

Mr. Callaghan maintained that odicy.

the circumstances in which said, it might prove to be a ing progress in both nuclear and He sombredy cautioned the Britain undertook in the 1950s bargain worth having, and it conventional disarmament.

the Trident system, while the

Labour members will oppose it.

has spent a major part of its

time investigating the Trident

decision, which was announced by Mrs. Thatcher last July.

witnesses has done much to

highlight the uncertainty which

which the Government has made

from

expert

The committee, formally

mittee has failed to reach an to come out in favour of the

agreed opinion on Britain's Government's decision to buy

to keep an army on the Continent numbering some 55,000 men no longer applied. Their role then, he recalled,

was to give a psychological boost to European unity and to ensure that the Germans and French were kept from each other's throats.

Few people, he said, would now question the view that France and Germany were able to get along pretty well without

Mr. Callaghan called on the

Government to enter into immediate negotiations with the German Chancellor Mr. Helmut schmidt, and the other Nato allies, aimed at cutting the strength of the British Army of the Rhine by at least half. A reduction in the number of

British troops in Germany, he insisted, would be far less damaging to the alliance than a cut in naval and maritime air power which would of vital importance should it again become necessary to secure the reinforcement and supply of Europe Mr. Callaghan saw the possi-

If that were to happen, he

Defence Committee split on Trident missile purchase

Mr. John Nott, Defence Sec-retary, has publicly stuck to the

predecessor Mr. Francis Pym.

But evidence before the com-

not only was the Government

undecided whether to build four

or five submarines, but is still uncertain about which of several

versions of the American Trident missile it might buy.

And the size of the submarines

is dependent upon the type of

-Decisions on these elements

cost of £5bn announced by his Britain to at least £6bn,

Amery: " Relax the cash limit

would be one which he would be prepared to consider support-

Labour MPs were at their most enthusiastic in supporting their former Minister, to relax the blamed for Britain being so bility of Britain's acquisition of cash limit on defence spending even if this involved some sacri
world War.

mr. Canaginal saw the possification of former leader when he advocated the stronger efforts by Britain and the U.S. to secure agreement with the Russians in mak-

sions still to be made in the

It is understood that the

committee's report will show

that the main erounds for the

Labour members' opposition to

Trident is that the money would be better spent else-

where in the defence budget.

Although last year's Labour

Party conference voted to cancel the Trident programme

and abolish Britain's indepen-

dent nuclear deterrent, none of

文·新闻说:第二年的8日:

U.S., but could well push up the

overall cost of Trident to

Mr. Callaghan regretted the conflict in the Labour Party between the mutilaterists and the unilateralists and told both sides that if they continued their struggle at this year's Labour Party conference, they could well destroy the influence which the party should be able to exert both

While agreeing that inflation be controlled, Mr. Callaghan maintained Mat the time had come to expand the economy.

"We have reached the stage now where it is important to get the economy moving again. Mr. Antony Buck, chairman of the Tory backbench defence committee, warned that there hould be no substantial cut to Britain's commitment to the Army of the Rhine, or in Britain's the maritime role of the UK.

"The credibility of this Government and of the Prime Minister is involved in keeping a strong, sensible defence posture," he said.

Mr. Buck believed that Mr. Nott's reassurance of Tuesday went some way towards dispelling doubts about this. But, said Mr. Buck, some absurdity would continue until the studies going on in the Ministry of Defence

committee is a nuclear dis-

The Tory committee members

are expected to approve the

Trident decision, although it is

no secret that many Conserva-

tive MPs are worried that the decision will deprive conven-

The committee is understood to have elected Mr. Canle

Onslow (C, Woking) as its new

chairman, at a private meeting

yesterday, replacing Sir John

Langford-Holt. The committee's

report, together with all the

tional forces of funds.

Foot criticises Benn Silkin set to stand with for 'denigrating' last **TGWU** Labour Government backing

MR. JOHN SILKIN'S as-yetunofficial campaign for the deputy leadership of the Labour Party gathered speed last night amid strong indications that the powerful Transport and General Workers' Union is prepared to back

him Mr. Sikin, who has come under strong pressure to stand this week from a small group of supporters in the Labour Party, had let it be known from the outset that he would not do so without TGWU backing.

However, Labour MPs clos to Mr. Silkin consider him likely to announce his candidature soon. They say he already has the hacking of between 15 and 20 members of the Tribune Group, 2 number of smaller unions. and a handful of constituency mainly in the

Widlands. Last night at Westminster, supporters of Mr. Denis Healey, the present deputy-leader, met for the first time to organise his campaign, Mr. Silkin's supporters gathered in another room to press him

to declare himself soon. Mr. Silkin has insisted that he is not interested in the job, while admitting freely that he has his sights fixed further ahead on the leadership. However, he contest shows signs of developing into a preliminary battle for the succession and Mr. Silkin is believed to consider he has a sporting chance of succeeding as candidate. a compromise

A large number of Leftwing MPs who do not care for Mr. Tony Benn but care even less for Mr. Healey were still casting around vesterday for another Left-wing candidate. Many of these do not consider Mr. Silkin's credentials as a Left-winger convincing and say they will be forced reluctantly to vote for Mr. Benn if they cannot find an alternative candidate.

Although the backing of the TGWU, which holds 1.25m of the total union vote, would he a strong boost for Mr. Silkin, his support among constituency parties still appears negligible—a factor which may dissuade many as-

yet-undecided MPs. Several of Mr. Silkin'ssupporters do not attempt to disguise the fact that they are out to stop Mr. Benn, and are stressing that the outcome of the contest could decide the

succession to Mr. Foot.

Mr. Healey's supporters, by contrast, appear to accept that their best chance lies in convincing the party, especially outside Parliament, that winning the contest will not strengthen the prospect of his becoming party leader. They are planning an intensive campaign in the constituen-cies, where his support is still weak, and where they will canvass for the Healey-Foot team, rather than for

Mr. Healey individually. They are expected to play up the current tensions betwen Mr. Foot and Mr. Benn, stresing the unlikelihood of the two being able to establish a satisfactory working relatiouship.

PM firm on hunger strike

MRS. THATCHER last night strike has not written person-

strike: Raymond McCreesh that officials.

she hoped that even now his life could be saved. But, in a letter to his brother Father telegram three days ago saying: Brian McCreesh, sent by her my brother Raymond is a principal private secretary, she

ment would not surrender.

This is the first time the Prime Minister, in replying to pleas on behalf of a hunger gone without food for 57 days.

officials.

Inquiry into Government efficiency

By Peter Riddell, Economic

AN ALL-PARTY committee of MPs is to investigate efficiency in central Government. A sub-committee of the Treasury and Civil Service Committee will consider methods and machinery for reviewing effectiveness and ensuring value for money in central Government, and the role of Parlia-

mentary accountability. Dr. Jeremy Bray (Lab. Motherwell) will chair the sub-committee. The full committee yesterday discussed with senior Treasury officials proposals for making the presentation of the public spending estimates more comprehensive.

Sir Anthony Rawlinson, the Second Permanent Secretary responsible for public services, made it clear that the Treasury does not want to show separate volume figures calculated at constant prices. Instead, he hoped it would be possible to say something about the level of services contemplated.

made plain that the Govern-

ment which hadn't woken up to The TGWU will not decide the realities. I think the Labour whom to support in the deputy movement has woken up to the leadership stakes until nomina realities now." tions close in August. The union, which commands the big-Mr. Foot said that he had made no secret of his dislike for gest single vote, is biding its an election process that "goes on for months on end" and said time in case its own sponsored MP. Mr. John Silkin, enters the that his view was now being seen race. In that event it would almost certainly urge its memby many to be right.

In the course of his speech to bers to support him, and not the TASS delegates, Mr. Foot Mr. Benn. Benn hits back at attack

on his outspokenness

MR. TONY BENN yesterday in the run-up to the autumn hit back at Shadow Cabinet election. criticism of his recent controversial statement on Northern Ireland with a staunch defence

of his right to free speech. Speaking at a Firemen's union fringe meeting in Bridlington, Mr. Benn claimed strong support for his proposal that a UN peace-keeping force should be brought into Northern Ireland. thern Ireland. He said the proposition was "not a firm and settled one," but there could be a case for using the UN to prevent bloodshed.

He had received "tremendous" support in letters from the public, which were 99 per sympathetic to his stance, including one from the chair-man of a Conservative associa-

Mr. Benn was speaking pub-licly on the issue for the first licly on the issue for the first time since last week's attack on him by Mr. Michael Foot, Labour Party leader, for stepping out of line on Northern Ireland during his campaign to wrest the job of deputy party leader from Mr. Denis Healey.

Mr. Benn said: "People are entitled to knew what one's views are. They expect it when there is an election going on." He said he was "in favour of free speech" and made clear he would continue to speak his

he would continue to speak his mind on any views he held, whether or not they made him final decision is unpopular with his colleagues it will support.

His campaign to amass rankand-file support from trade unionists intensified yesterday when he told about 300 delegates from the Fire Brigades Union's annual conference that he would support the takeover of private hospitals.

"The TUC and the Labour Party conference have both said all those parts of the public sector that have been hived off should be re-nationalised, without compensation. I would go beyond party policy." he said, "and I hope it will be party policy-I believe that we should take over all those glossy new private hospitals that are being built to cut the National Health Service waiting-lists."

Mr. Benn received a warm reception from the firemen, who will today attend a similar fringe meeting to be addressed by Mr. Denis Healey.

The 36,000-strong union is the first in the present round of union annual conferences to invite formally both contestants to meet conference delegates-albeit in separate meetings out-

This is likely to be followed by executive consultation with the union's 16,000 members who pay the political levy before a

Lloyd's divestment a 'basic requirement'

LEGAL COUNSEL for two question. "It would be for Lloyd's members and the Lloyd's underwriting members the promoters of the Bill to go interests of the assured were urged a House of Commons comurged a House of Commo commercial divestment of principle," he told the Lloyd's brokers' links with Committee. underwriting management companies as a "fundamental Bill by five or six months.

through a Parliamentary petition to a Private Bill promoted by Lloyd's of London for im-

years. He has gone without

This move might delay the

"We would urge that the ques-The two Lloyd's members, Mr. tion of principle must be Nick Parker and Mr. John resolved by this House but the Burrows, are seeking changes question of detail or implementation. tation should be left to Lloyd's."

Mr. Michael Maun, QC, acting powers a new Lloyd's council to for the two members, suggested treate bye-laws to prevent intertual Lloyd's should petition for that Lloyd's should petition for the two members, suggested to the committee that the Bill did follow an additional provision to the underwriters—"fudges the prin-

mittee to treat the issue of full clause to deal with this issue of because "it is they who are the to accept that the Bill does victims of the potential confollow Fisher.

On the immunity provision, which protects Lloyd's officers against legal action from its members, Mr. Mann said Lloyd's wanted to be in a position where "it would have nothing to fear" if it did not act with reasonable

A limitation to the immunity by Lloyd's of London for improving self regulation within gested by Lloyd's for dealing ment, "Is not real it is only with the divestment—which emproved apparent."

> the proposals recommended by Sir Henry Fisher.

"If Fisher intended that divestment should take place. was Fisher right?" He said the central issue is whether the divestment proposal will really be carried out. "Do you really believe that divestment will be carried out in the light of the financial interest" of some of new council's likely

"There is not enough evidence to believe that the council will not back divestment.'

committee . until this morning.

Steady Progress at home and in international markets.

Deutsche Girozentrale - Deutsche Kommunalbank - (DGZ) was again able to maintain its course of steady progress with satisfactory results during 1980. Assets rose to DM 22.5 billion while business valume reached DM 23.5 billion.

With a long tradition as a banker's bank. DGZ stepped up its international lending activities to state banks, governments as well as corporate clients. Special emphasis was also but on broadening the Bank's financing of German exports. The Bank is also a respected partner for international loan syndication and Eurobondissues.

Domestically there was significant exponsion in credit activities with public and financial institutions. With the authority to issue own bonds funding requirements were easily met and the Bank's papers were again in strong demand. by institutional investors. Security dealing, particularly in fixed-interest instruments, expanded both with domestic and international clients.

DGZ is the sole central banking institution on the federal level of the vast German savings banks network and as such ranks among the leading wholesale financing institutions.

Balance Sheet Total 22,525 Due from Credit Institutions Debentures and Bonds 3,340 Receivable from Non-Bank Clients 11,903 Fixed Assets Deposits from Credit Institutions 1.027 Deposits from Non-Bank Clients Own Debentures in Circulation 14,096 Capital and Published Reserves Surplus from Interest and Commissions Personnel and Administrative

Financial Highlights 1980

DGZ International S.A., the 100% Luxembourg subsidiary, also reported a successful financial year with continued strength in Euromoney and Eurocredit operations.

Deutsche Girozentrale Deutsche Kommunalbank

Taunusaniage 10. 6000 Frankfurt am Main 1 Postal Address: P.O. Box 1105 42, D-6000 Frankfurt 11. Tel.: 2693 L Telex: 04-14168

the "small" team with big resources

Bill relating to the divestment ciple," said Mr. Mann.

to .

ong i ude

live the trail tots wet tota

Contact Dept. PPR: 01-560 5166

Answers for the 80's

Test-bed

for IBM

ford. Middlesex.

THE FIRST of what many ob-

servers believe to be IBM's new

generation of big computers to

be installed in Europe is undergoing benchmarking at Green-

The machine, the 3081, is the largest commercial computer IBM makes with a processing

speed of about 10 million in-

structions a second. Built in

France at Montpellier, the machine has been installed at

Fat and lean for Jack Spratt

the lowest cholesterol level of would be no shepherds pie—all time, and his wife, with the can be 90 per cent lean, 10 per highest, would (assuming they cent fat, 75-25, or even 50-50. could emerge into 1981 from So far, the EEC has not laid. their immortal but one dimensional existence from a page of nursery rhymes) buy a Glafas-

Journalists too, who con-stantly talk about the meat of the story might also find useful this splendidly clever British

trolled video scanner can look, analyser. at enormous amounts of frozen or fresh meat and analyse the

to know. The accomplished image analysis techniques, housewife can run a well practed designed a system using one tised eye over the butcher's camera with selective frequency window and decide at a glance window and decide at a glance
that the best New Zealand lamb
is too fatty or the English leg
of pork is not fatty enough.

Brian Hopkins, director of
MME says that the difference
between Glafascan and existing But content and quality control, if you are producing X million beefburgers, or Y million sausages, and, particularly if you are producing set portions of any meat product is vital.

So far, the EEC has not laid

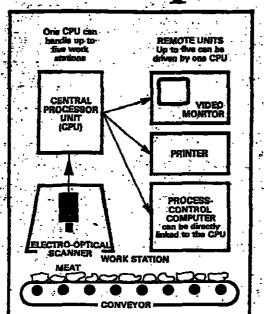
down any set levels. Countries within the Community have guidelines, but it's on the cards that eventually Brussels will dictate the proportions. Unilever with its vast food

empire thought about this and commissioned Micro Measure-Clafascan might not be the ments Engineering of Cam-greatest marketing title in the bridge to design a computer con-world, but this computer con-world, but this computer con-analyser. trolled vide scanning lean/fat

The result-Glafascan is it is claimed, a world first for Britain. Development started. lean and fat content.

Now, you may say, who, apart four years ago and MME, with from Jack and his wife wants considerable experience in response and optical filters.

systems of random samplers is that Glafascan can analyse meat continuously on a production flow line. After testing by the field tests fat content accuracy



scans continuously at 50 times by Glafascan proved better than plus or minus 1 per cent. a second. The video image is Meat-it takes only a few then analysed by the computer minutes to change from beef to pork, lamb etc., is conveyed to provide the lean/fat ratio. The image is displayed on under the TV camera which the

George Clarfelt, chairman of Giengrove at his Partridge Green, Horsham, Sussex, plant with the Glafascan lean/fat analyser.

monitor as well as monitor centages are shown by numeric displays and digital read out The data can also be fed directly to a process control

Already, Redlefsen, a West could top £3m a year. German meat processor, has bought the system and Glen-grove of Horsham, Sussex (0403 marketing rights believes that within three years export sales

far away when the local hutcher

and 115 kg.

(01-222 5483).

Boughton show

the IBM Installation Support Perhaps the time is not too Centre, where its role is to act as the test bed for other 3081 will have not only the price per pound on the weekend joint but another sign which says ratio

Particularly suitable for hand-

ling swarf and other scrap

materials the containers are available either painted or hot

dip galvanised in three sizes,

0.55, 0.70 and 0.90 cu. metre.

Respective weights are 95, 105

Full details can be obtained

from Bauer UK, 14 Broadway, St. James's, London SW1H 0BH

THE Boughton Group's bi-

annual Show and Exhibition

will this year be the largest

New products ranging from

and most ambitious to date.

installations throughout Europe. According to IBM, the hardware is proving more reliable than expected as is its flagship operating system MVS.

The 3081, a tightly coupled multiprocessor complex, is a-controversial and critical

machine for IBM. The company says it is only an evolutionary extension of its .existing 370 big machine range; observers believe it is the first of a new generation of IBM large mainframes offering great advantages in price and performance.

and

critical

Challenge

It believes the 3081 has been muzzled" to prevent its true performance being realised and so upsetting the market.

It is big enough to offer a substantial challenge to manufacturers like Amdahl and Hitachi (selling its machines in Europe in a variety of guises) whose own advances in price performance have been-threatening IBM's market share in recent years.

But, there is a view that most users are still happy with a one mip machine, let alone 10

The installation at Greenford was completed in less than twodays, a performance to rival that of the big Amdahls, whose ease of installation has become Lane. legendary. IBM is on 0705

ALAN CANE

A Hampshire proves that the U.S. can be wrong

Glass Company of Pennsylheard that Morris vania Filtek of Hampshire was doing clever things with one of its glass substitutes, it sent over a technical director bearing a 10 page report explaining why it could not be done.

"But nobody told us that it was impossible before we started," Brian Morris says, "so we went ahead and did it."

What this small company did was to discover a technique for putting colours into a resin so it could be used to make camera filters.

Because the image resulting from any photographic process can only be as good as the weakest part of the system, filters are conventionally ground and polished from solid tinted glass, a costly and

Morris Filtek decided to use a resin called CR39 (allyl digiveol carbonate—a monomer devised by Pittsburg Plate Glass many years ago and with a good reputation for use in spectacles and cheap cameras.

The problem was how to get the colour into the resin. A twe-part material, the setting agent for CR39 is peroxide which, because of its oxidis-

method—which it is keeping method—which it is keeping very quiet about—of protecting the dye chemically during the 24 hours or so it takes

the resin to set.
It also devised a technique for mechanically dispersing the dye torough the resin. The filters resulting from

the company's work can be any reasonable size, shape and depth of colour.

CR39 is a fine material for moulding and requires little or no final polishing—sheets of up to 2 ft sq can be cast with ease.

Morris Filtek's competitors so far seem to be still the traditional glass filter makers; in France, a company (Coquin) is selling CR39 filters with the dye simply painted on the surface. Morris Filtek can be contacted on

Low-grade coal tests

NCB Coal Research Establishment, Stoke Orchard, Glos., and it is hoped that this research will lead to the industrial use of much lower grades of coal than is now possible.

Following evaluation of con-

THE performance of low-grade ventional analogue control syscoals in a fluidised bed com-buster is being studied at the NCR Coal Research Establish MCR Coal Research Establish been chosen to control a test bed evaluating different fuels.

The equipment is the Dio-genes VDS process controller supplied by Rosemount Engineering Company of Bognor Regis, West Sussex.

Alarm system

BOTH visual monitoring by closed circuit TV cameras and visual and audible alarms which trigger-off a video recording of suspect activities are combined a surveillance system produced by RadiCom Inter-national of St. Stephens House,

Arthur Road, Windsor, Berks. The system can include up to 256 TV cameras for very large areas. Cameras at key vantage points in or outside a building can be panned, tilted or zoomed in for close-ups of any person or object within

In the event of an alert audible and visible warnings are given and the video recording system switched on immediately. A diagrammatic plan of the building or area under surveillance is incorporated in a central control panel and shows the location of each camera. Once a camera "sees" suspicious activity a light flashes on the plan to show the actual location.

Pallet trucks

TWO NEW electric low lift pallet trucks are being introduced by Eaton.

A five inch hydraulic lift en the 3,000 lb capacity unit and 41-inch lift on the 4,000 lb model enables the trucks to travel freely over ramps and un-

even floors. Steering handles on the trucks provide control of travel speed, direction of travel and lifting and a special switch automatically reverses the direction of the truck when it senses pressure—for instance if the operator is being squeezed against racking.

The trucks, which are being produced by Eaton's material handling division at Waddensbrook Lane, Wednesfield, West Midlands (0902 66955), are powered by heavy duty batteries with built-in chargers thus enabling re-charging to be carried out from any mains outlet.

Process control

WHAT IS claimed to be an inexpensive and adaptable method of process control—a microprocessor-based systemhas been devised by Westinghouse Electric (0462 55321).

Called the Westinghouse Model 1500 general purpose controller, it will provide control for as many as six loops each other.

with four controlled outputs and can be used to fit in to many schemes with its 55 different pre-defined functions. Units of this type can be

grouped together and connected to a cluster control panel con-sisting of a visual display unit and a keyboard. Linking up in this manner allows them to communicate with each other and an operator can talk to any unit through this centra control, irrespective of the distance between them.

Door locks

A MACHINE claimed to be capable of preparing a door for the fitting of a mortise or cylinder lock in under half a minute is being marketed by C. D. Monninger of Overbury Road, London N15 6RJ (01-800

Steel containers

FORKLIFT truck accessory specialist, Bauer, is marketing welded steel containers designed to be picked up and carried by any type of forklift truck. They will stack three or more high on

recovery cranes to waste handling equipment will be shown. Other equipment on show will include fire and crash tenders,

> demountable vehicle body systems. The show will be held on September 16, 17 and 18 on a 30-acre site near the group's beadquarters at Bell Amersham, Bucks (02404 4411), and tickets may be obtained

from that address.

many types of commercial vehicle, trailers, specialist bodies, winches, buckets and

'High technology components have turned hazardous solo flight for the few into an everyday commercial service for the many.'

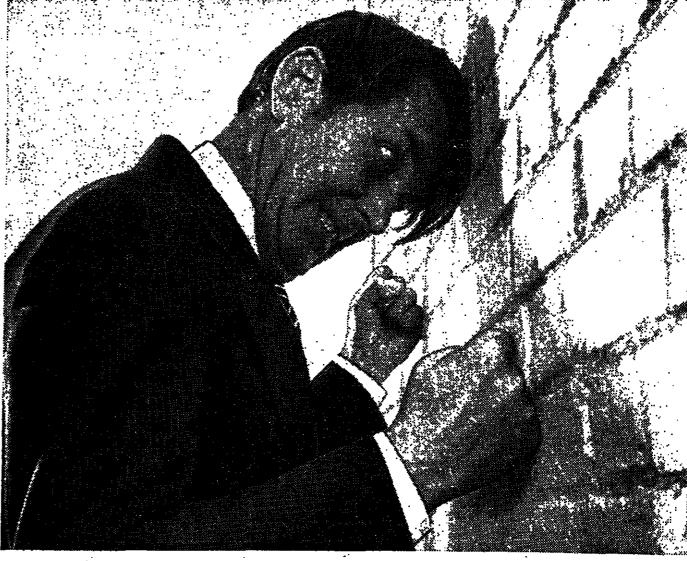
> "Well, here we are. I am very happy." We echo Lindbergh's first words after his 331/2 hours solo flight across the Atlantic in 1927.

> SKF was there then - with bearings in the 200 hp Wright engine. As we are today in Europe's wide body Airbus: with ADR instrument bearings, Sarma flight control rods, and many other SKF components developed to keep pace with the jetliners of the 80's.

Bearings - and much more



Ball and roller bearings, special steeks, cutting tools, castings, machine tools, and a host of precision products - worldwide.



Cwmbran welcomes businessmen with headaches.

You'll find lots of brick walls in Cwmbran. But none you can bang your head against. So successful is business in our bustling new town, we've had to expand - creating yet another industrial development.

Llantamam Park. We've factory units from 750 sq.ft. to 12,000 sq.ft. and larger Serviced sites are also available. And we've a package of grants and incentives that will give you relief from today's financial pressures.

As any business here will tell you, Cwmbran is a great place to get things done - and a beautiful place to live. There's a large and enthusiastic skilled workforce. And we're close to major roads, rail links, docks and airport. For more information, send us the coupon today.

Please send me your in grants and incentives y	nt Corporation, Gwent House, Town Central 4 1XZ. Tel: Cwmbran (06333) 67777. Industrial information pack, and details of the you can give me.
Name Position	
Company	-
Address	

CDP breakaways'

AGENCIES & ADVERTISING

estimated £10m to £11.5m worth

of CDP business, with the

prespect of the Fiat account to

In all, CDP has lost £13m to

£14m worth of business. It is

owned by a company in which Hambros, the merchant banking

group, has a 75 per cent stake.

former managing director, and Geoffrey Howard-Spink, its joint

deputy MD. They are taking four top CDP creative men, plus

account handler Brian Beagan. Also going are three famous

Birds Eye (£2.5m-£3.5m) and Parker Pen (£1m). Fiat and Lancia (£2.5m to £5m) is leaving CDP, and could well join Lowe

and Howard-Spink. In a separate

move, Walls Meat (£1m to £2m)

is also leaving CDP though not

year were £60.9m, is putting a

relatively brave face on recent

reorganise itself internally, but

deputy MD John Spearman emphasises that the agency is

now free to compete for replace-

ment accounts in markets where

joining the new agency.

approximately £7m),

accounts:

Lowe and Howard-Spink was formed by Frank Lowe, Collett's

follow.

(worth

events.

Advertising via satellite: the questions multiply

How Saab hauled itself back from the brink

ready to start direct television satellite broadcasting by the middle-1980s, even though the Government has made it plain that no public finance will be available, has hardly traumatised the advertising and marketing businesses though they are studying Part IV of this week's Home Office study report, Direct Broadcasting by Satellite, with special care.

Part IV discusses the options and implications of direct satellite TV, including what is for now one of the great imponderables: finance. Among possible sources of satellite revenue discussed by

a-half years ago would be the

spring easily to mind.

Bergman films

recover, Saab's sales kept on a consultant.

so that in 1977 the

Yet from a point when Saab

Saab is on target for sales of

the working party are higher general TV licence fees, special satellite licence fees, subscription charges and advertising.

Advertising, says the re-port, could include spot or block advertising, though it is assumed that the advertising standards to be applied to satellite services would be similar to those applying to Independent Television's terrestial broadcasts now.

It is the view of the Independent Broadcasting Authority that there will not be a broadcasting case for more channels until after says the report. by

TO SAY that things looked and captured an entirely new its last year of production.

The turning point was mid-

One of those to come in with

Swedish car maker sold just him was Roy Clements, for Saab GB sold direct to just 12 4.072 cars on the UK market. merly at British Leyland Inter- distributors who then fed the

national, who had been head-

The old Saab 95/96, which

it has radically altered its image was in terminal decline and in network by buying out the two-

gloomy for Saab (GB) three-and- and more profitable market.

politest of understatements, for 1977, when two things hap-comparisons with Swedish pened. A report on the UK

in Britain, traditionally its as fire-fighter.
second biggest export market The immediate upshot of the

after the U.S. Sales had reached SRI report was the introduction

a peak of over 11,000 in 1973, of a new management team the year before sharply higher (although several members of

market reeling. But when the by SRI man John Smerdon, who

market eventually started to had been brought in by Saab as

looked almost ready to disappear hunted for the job of marketing

in Britain, its fortunes have director. When Mr. Clements been transformed. This year, a talks about what he and Mr.

bad one for the car market in Smerdon discovered at what

general and for largish he calls the "point of inheri-executive cars in particular, tance," he shudders.

10,000 cars. What is more, in a before the slump had accounted

space of less than three years for about half of Saab sales,

inters and Bergman films operation was commissioned bring easily to mind. from the Stanford Research By contrast, the early 1970s Institute. And a senior manager

been boom years for Saab from Sweden was brought in

prices sent the new car the old one stayed on), headed

operation

ITV system now in the pipe-line, (Fourth Channel and Breakfast Television) will have been completed.

The IBA believes it wrong to approve the introduction during the 1980s of channels financed in a manner rejected by Parliament for the Fourth Channel, but such considerations apart, says the report, advertising revenue potential for satellite TV is hard to predict, not least because of the difficulty of preadvertising TV expenditures several years

However, it says, it "seems likely that it would be small"

Saab's other car, the 99, while

enjoying a solid reputation, had

been on the market for eight

years and was also hardly set-

ting order books alight. The

company had another problem. Although unquestionably loyal,

Saab's customers were literally

professional chap living in a

rural area, aged about 58, buy-ing his last car and planning to

keep it going for ten years,'

At the same time, the com-

pany was handicapped by a

two-tier network through which

retailers. According to Mr.

mic contact with its dealers,

no homogenous network. We

were a small, parochial com-

pany which did not even have

control over its stock of cars."

new Saab management moved

quickly to establish a single-tier

On the distribution side, the

Our typical customer was a

dying out.

says Mr. Clements.

Firms that did not sell

their products in Europe would hardly be interested in would advertisers who sold their products under different names outside the UK. There were differences in consumer tastes and habits; and there might be problems, says the report, because of variations in different countries' restrictions on advertising.

ITV's high advertising rates are largely attributed to the advertiser's desire to reach large and predictable sections of a mass audience, says the

direct links with the dealers.

By early 1978, it was close to

being master of its own destiny in the UK and was gearing

itself up for a unified national

advertising campaign.

If was at this point that the company had its first real piece

of good luck. It learnt that it

would be getting the new Turbo—the first mass-produced turbo-

"It changed everything," says Mr. Clements. "It enabled us

of Saab's rallying days, identify us as inmovators and go after younger and more affluent customers." The Turbo was introduced by an advertising campaign handled by the Maid-

enhead office of Brunning's. At

the same time it was decided

that all Turbos imported into

Britain should be black in

The advertisement simply

showed the car in profile with the bold words above it: "Jet

to make a greater

re-create the sporting image

charged production car.

working party. "Given the difficulties, it seems that the rates which a (satellite) service could command per 1,000 viewers would be significantly below even 'off-peak' rates on ITV."

Little of which helps advertisers keen to formulate a view on the likely mid-term impact of satellite broadcasting, though in truth, the problems relating to likely costs, audience levels, timing and scale are as difficult to quantify as forecasting UK ice cream sales this summer.

In a major study of the new broadcast media, the D'Arcy-MacManus & Masius agency

TV, by greatly widening programme choice, would pro-duce considerable fragmentstion of the TV audience, making the medium more expensive and complicated where mass coverage was

It forecast major changes in the "present conservative attitudes of some governments, and their dislike of fully commercial TV services brought about by the economics of satellites and by the effects of audience overspill"-whose effect could well he to draw advertising acress national

flying start LOWE AND HOWARD-SPINK, cial impact on CDP "will not be the London advertising agency as dramatic as events might formed two weeks ago by a suggest, in that a lot of over-clutch of Collett Dickenson head (principally the star Pearce breakaways, has won an

Etcetera

going) has also left."

• GEERS GROSS, the publiclyquoted advertising group with agencies on both sides of the Atlantic, reports a profits rise of 37.2 per cent in 1980 to £1.14m (\$2.6m) on billings that

(the Flourgraders, the Country CDP, whose total billings last Life Buttermen, the KP Friars, ear were £60.9m, is putting a et al)—a philosophy it is now pursuing in New York with campaigns for clients such as Kraft, Cella Wines, Coty, and "By speaking with one voice in both markets we look set to

salaries of those that are Mr. Lowe's move was not unexpected, but has dramatised the pace of new agency formations in recent months.

were 27.1 per cent higher at £48.3m (\$106.5m). From its beginning, it says, its hallmark has been the creation of "simple, relevant, memorable brand properties"

the Sambo Restaurant chain. become the first truly international UK agency," it says. Company News, Page 26.

gaps have occurred He also says that the finan-Advertising Expenditures in Major Markets

Whitbread

Business, as usual, is booming down Southern way. And, as usual, it's the unusual quality of the Southern audience

that pulls in the advertisers. asumusua

Southerners are the most affluent people in this country. They drive more cars, drink more wine and garden more acres than anyone else.

They earn more and spend more.

To reach them with your selling proposition, you need to contact Brian Henry, Marketing and Sales Director, Southern TV Ltd., Glen House, Stag Place, London SW1. 01-834 4404.

year notice period of its Black.' distributors and establishing Saab Sash not only used the Turbo to give it a new image. It was the performance of the dealers. Frankly, many of them needed pulling up by their boot-straps, says Mr. Glements. "They ran good service shops but were bad sellers. We created a separaate franchise for the Turbo and said: 'Look, you can only have this car and the showroom traffic it will generate if you meet

certain minimum standards.'' To begin with only halfabout 100-made it. But eventually most made the grade. What was left was a tighter operation of 179 dealers with a new sense

Which was just as well. A new car was on the way—the 900—with a significantly higher specification and greater size and selling price than earlier Saabs. It would be too expensive for traditional Saab owners, so the company realised that nearlyevery sale would have to be a conquest.

despite the improvement in the dealer network, it was not financialy strong enough the rapid move up-market that would have to be made. The answer was to provide a complete financial service to the dealers so as to provide them with enough working capital for unit-stocking and higher price trade-ins. The advertising success of the

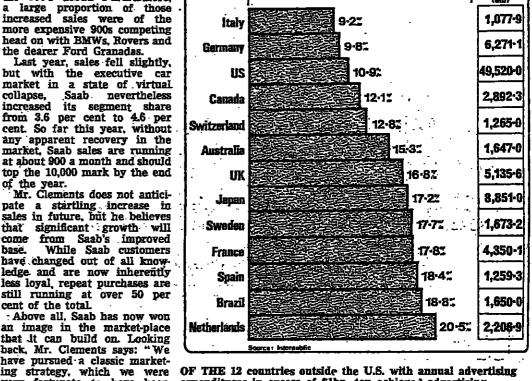
"Jet Black" campaign was also built upon. For the first time Saab (GB) achieved a nation-wide launch with the 900 on the back of major colour advertis-ing. Emphasising the 900's upmarket pretensions, Brunning's produced the "Born To Lead"

The impact on the new models and the general stream lining of the company was dramatic. From sales of 6,40% in 1978, Saab sold just under 9.000 cars in 1979, the year of the 900's debut. Furthermore, a large proportion of those increased sales were of the more expensive 900s competing head on with BMWs, Rovers and also realised that the dearer Ford Granadas

Last year, sales fell slightly, but with the executive car market in a state of virtual Saab nevertheless increased its segment share from 3.6 per cent to 4.6 per cent. So far this year, without any apparent recovery in the market. Saab sales are running at about 900 a month and should top the 10,000 mark by the end

Mr. Clements does not anticipate a startling increase in sales in future, but he believes significant growth will from Saab's improved While Saab customers have changed out of all knowledge and are now inherently less loyal, repeat purchases are still running at over 50 per cent of the total.

: Above all, Saab has now won m image in the market-place that it can build on Looking back. Mr. Clements says: "We have pursued a classic marketvery fortunate to have been



expenditures in excess of \$1bn, ten achieved advertising 1970 to 1979 says Interpublic in its annual report. Interpublic the world's largest advertising agency group

projected gain reflects rising incomes and inflation, but is also ised, says Interpublic, on a continued moderate increase in

"markets outside the U.S. have been expanding, and will continue to expand, at a rate exceeding that of the U.S."

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BANCO MERCANTIL DE SÃO PAULO

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13

No export order is too small for us. No export order is too big for us.

We deliver a unique range of services designed to help all exporters win more orders.

A. A service for export orders up to £25,000.

At Midland Bank International, we have recognised that not enough is being done to smooth the path for the new exporter. Or indeed an exporter with an annual export turnover of about £250,000 or less, with individual transactions of £25,000 or less.

So, we have created our Smaller Exports Scheme - the first Scheme of its kind in the UK.

Under this Scheme we offer you 90% finance on exports sold on up to six months' credit. Interest costs are fixed, there is no recourse to you, your existing facilities are not affected and you do not have to hold an ECGD guarantee—we will handle that for you. You just have to fulfil your export undertakings.

The Scheme is also open to companies not currently banking with the Midland. All you have to do is apply for an export facility and open an account with us.

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Export orders of capital goods and services worth up to £1,000,000 or more and sold on credit of two years and over can cause a severe strain

on company cash flow, quite apart from the question of risk.

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Or, where exporters do not wish to obtain their own cover or have recourse problems, our export house London American Finance Corporation (LAFCO) can help.

LAFCO can arrange cover through their own ECGD policy and they carry the percentage of risk not covered by ECGD. In other words, this gives you 100% protection without any recourse to you. Also, LAFCO will pay you immediately on production of the export documents thus improving your cash flow. Moreover, they take over all the administration work and debt collection. All you must do is fulfil your contract with your customer.

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In addition, we have Foreign Exchange, Factoring and Trade Development experts together with market information specialists who can help you win more export orders.

C. A service for major capital projects of £10 million or more.

On any major export project, our speed and flexibility as one of the world's leading international banks can be particularly helpful to you.

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Midland Bank International

Midland Bank Limited, International Division, 60 Gracechurch Street, London EC3P 3BN, Telephone: 01-606 9944. Extension: 5465.

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Saudi Arabia

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as experience for these positions, although obviously a degree would

be an advantage.

We are offering an excellent package including an attractive salary, relocation expenses and subsidised housing. Additionally, prospects for career advancement for ambitious and able dealers are excellent throughout the worldwide Citibank network.

Please write with full details of background and career to date to: Edward Clark, RVP, Manpower Director, Asia, Australia, Middle East, Africa Banking Group, Citibank N.A., 336 The Strand,



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Candidates must be qualified accountants, ACAs or ACCAs, and have about five years' experience in auditing. It would be an advantage to have some experience in the audit of systems and have some involvement in systems

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Please send a comprehensive career resume, including salary history, quoting ref. 2002, to W. L. Tait

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Swaziland

General Manager

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For the Swaziland Sugar Association, a corporate body legally established in 1967, which comprises two member organisations (i.e. the Swaziland Sugar Millers' Association and the Swaziland Cane Growers' Association) representing the largest investment in the Kingdom of Swaziland.

Sugar plays a dominant role in the national economy, providing nearly half of all exports; it is also the principal foreign exchange earner and about 80,000 people depend directly or indirectly upon the industry. The three major mills, with their supporting cane areas, at present have a total annual production capacity of 400,000 tonnes.

The Association regulates the Swaziland sugar industry and advises Government on matters relating to the industry.

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EEC sugar legislation as well as a wide range of financial/administrative functions. This key post requires an efficient administrator with a proven marketing background. Probably aged 40-55, with graduate/professional qualifications, he should have a broad knowledge of the sugar industry or a similar commodity field. Appropriate African or developing territory experience would be an advantage. He must provide evidence of successful achievement and business acumen at senior level in commerce, industry or a marketing board.

Benefits include a substantial salary, 25% terminal gratuity, medical aid, attractive rent free house, hard furnishings, car, educational allowances where appropriate, overseas leave and agreed relocation expenses. The appointment is on a contract basis and exceptional high earning candidates should not be inhibited from applying since it will be flexible enough to meet individual requirements. Please write in complete confidence with relevant career details to Michael Johnson quoting reference SWAZ1/J/108/FT on both envelope and letter.

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FINANCIAL CONTROLLER - Paris.. FF 200,000

M.B.A. FLUENT ARABIC - Paris.....neg EUROBOND TRADERS - Paris......FF 150,000 CREDIT ANALYST - Frankfurt DM 60,000 CREDIT OFFICER-Luxembourg.....BF1.3m M/EAST MARKETING MGR.-GenevaSwF 100,000

Luxembourg.....BF 1.6m | 'EUROBOND DEALER - Luxembourg....BF 1m Jonathan Wren If you are interested in these or other opportunities please write in confidence enclosing a detailed curriculum vitae to Roy Webb, Jonathan Wren & Co., Ltd.. If you are interested in these or other opportunities please write in confidence International Division, 170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266.

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Director, International Centre for Diarrhoeal Disease Research

Bangladesh P.O. Box 128. Dacca-2 Bangladesh

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Recruiting and Training Division International Monetary Fund 700 19th Street, N.W. Washington, D.C. 20431

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Personnel Director, The First National Bank of Boston, 5 Cheapside, London E.C.2.

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We expect for this prestigeous job application a

graduated pharmacist aged between 35 and 45

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We offer a good salary, bonus on the revenues and attractive living conditions.

Please send your application and c.v. to:

MR. M. E. DURR.

43 Berkeley Square, London, W.1

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\$25,996 rising by annual increments to \$27,983

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Candidates must hold an internationally recognised accounting qualification. They should also possess three years post-qualification experience, including all aspects of auditing. However, tion experience, including all aspects of auditing, movever, professionally qualified candidates without that length of service, particularly if their qualifications are acceptable to the institute of Chartered Accountants of Bermuda for the public practice. of auditing, would be given favourable consideration for

The appointment will be for a contract period of three years. Passages, baggage and settlement allowance will be provided. There is no income tax in Bermuda, and BDS=USS.

Airmall applications, giving full personal, education and career details, should be addressed to:

> The Secretary Public Service Commission Post Office Building Hamilton 5-24

Applications should arrive not later than 11th June 1981e . - ...

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The successful candidate will be aged around 28, qualified ACA or ACMA and must speak fluent French. He will be based in Cognac, be prepared to travel as required and have the flexibility to cope with unexpected developments coupled with an original approach to problems. (WR.841)

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Young accountant

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For a long established and consistently profitable quoted UK group with interests in distribution in the UK and North America.

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Resumes including a daytime telephone number to EJ Robins, Executive Selection Division, Ref. R496.

Coopers &Lybrand associates Coopers & Lybrand Associates Limited management consultants

St James's House Charlotte Street Manchester M1 4DZ



Controller of Finance

Remuneration £20/25,000 p.a.

The newly established Channel Four Television Company plans to commence operations in the Autumn of 1982 and the top management team is now being assembled. A key member of this team will be the Controller of Finance.

The person filling this post will be a chartered accountant, probably under 40, with at least 10 years' post qualifying experience in well managed industrial/commercial companies. Experience must have included project evaluation and control, the innovation of new procedures, the use of advanced computer systems for financial management as well as the normal duties of a chief finance executive and company secretary in a progressive organisation. The company is looking for entrepreneurial flair and enthusiasm as well as first class accounting ability.

An attractive remuneration package, a challenging job and a promising future awaits the successful applicant.

For an application form, telephone 01-236 3561 (24 hour service) or write, in confidence, to E. M. Nell, Executive Selection Division, quoting reference 4006/L.

Peat, Marwick, Mitchell & Co. 165 Queen Victoria Street, London EC4V 3PD.

Group Finance Director

For a very successful public company with turnover of around £350m, based in the South-East. The group is decentralised in structure and diversified in interest.

- RESPONSIBILITY is for all aspects of the function, with emphasis on financial policy and practice, and on
- THE REQUIREMENT is for a qualified accountant now holding a top management position in a public company, and having considerable personal stature.
- PREFERRED AGE 35-45. Remuneration £,35,000-£,40,000**.**

Write in complete confidence to A. Longland as adviser to the group.

TYZACK & PARTNERS LTD MANAGEMENT CONSULTANTS

10 HALLAM STREET

and EDINBURGH EH3 6AJ 21 AINSLIE PLACE

EUROPEAN TAX MANAGER

Home Counties

c. £20,000 + Car + Benefits

Our client is a major multi-national with a pre-eminent position in an advanced technological field.

This is a new appointment and the European Tax Manager who reports to the North American Head Office will act as co-ordinator and internal advisor to all the European operations. Key tasks will include the tax implications of organisational structures and financing strategies.

Candidates, male/female, should be qualified accountants in their late twenties or early thirties. Sound corporate tax experience gained either in practice or industry/commerce is essential as is the ability to work independently and communicate with management at all levels.

There are excellent prospects for future career progression either within tax or in general financial management in Europe and/or North America. For further information, please write enclosing a c.v. or telephone either Barbara Lord M.Sc., or Richard Norman F.C.A., 410 Strand, London WCZR ONS, Tel: 01-836 9501, quoting reference 3253.

DOUGLAS LLAMBIAS

Douglas Llambias Associates Ltd. Accountancy and Management Recruitment Consultants and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101) 3 Coates Place, Edinburgh EH3 7AA (03)-225 7744)



FINANCIAL CONTROLLER

£18,000 p.a.

Domay Foods is a member of the Mars Group of Companies, manufacturing and marketing a range of high quality foods. The company is currently expanding its product range and extending into new technologies which make this job an exciting prospect

The Financial Controller will play a central role in the business with specific responsibility for financial accounting, cost accounting, financial planning, and fiscal matters. An important aspect of the job is that of giving creative advice and support to other functional managers in a fast changing environment.

The job is suitable for a qualified accountant in his or her late twenties who can demonstrate successful, relevant, industrial experience. Knowledge of fast moving consumer goods and design of computerised accounting systems would be advantageous.

The starting salary will be at least £18,000 p.a. with a non-contributory social security scheme. Assistance will be given with relocation to King's Lynn, a town offening many advantages in housing and recreational facilities, with unspoiled countryside and coastline within easy reach.

For an application form please write to:-John Dawson,

Dornay Foods (Division of Mars Limited), Hansa Road. King's Lynn, Norfolk PE304JE

DORNAY

Portfolio Manager Up to £15,000

Our client, a small Trust Company located in the City, is seeking an exper-ienced portfolio manager to administer discretionary trusts.

Probably aged 40 to 50, applicants will have wide experience of discretionary portfolios, gained within the Private Client department of an Institution or a Stockbroker, and have knowledge of both U.K. and International markets. The ability to work in a small, highly professional company is essential. The successful candidate, male or female, will be responsible for the administration

of all the portfolios under management. Working conditions are very pleasant for a steady individual who now wishes to be closer to clients than is possible with a larger organisation.
Please contact Anthony Innes who will treat all enquiries in the strictest

Stephens Associates

International Recruitment Consultants 35 Dover Street, London W1X 3RA.01-493 0617

CHIEF ACCOUNTANT

INSURANCE BROKERS

Age 25-35

c.£12,500 + Car + Mortgage Subsidy

THE COMPANY Our client is a rapidly growing Lloyds broker. A young management team is combined with a professional and forward looking approach. THE POSITION

Reporting to and deputising for the Financial Director. Responsible for the operation of the Accounts Department and participating in the development of a new computerised system. THE PERSON

He/she must be a qualified Accountant with experience in the insurance industry. Experience and interest in systems work are important, together with administrative and management

Please write or telephone in the strictest confidence

IAN WILLIS ASSOCIATES LTD.

16 Regency Street, London SW1P 4DD. Tel: 01-821 6543 or 821 6229.

Group Accountant

c. £12,000 + Car

A long established and successful trading company wishes to strengthen its management by the appointment of a group accountant. The company is an autonomous member of a large quoted food combine and has interests in commodity trading, shipping, manufacturing and merchanting.

This position will be a senior financial and management operations role within the company, Initial responsibilities will be to exercise financial control over the group s trading activities and to develop management information systems using the in-house computer facility.

The company is looking for a qualified graduate accountant with technical ability, energy, and initiative allied to a common sense approach to the appreciation and solution of problems who will be committed to the successful progress of

To apply please send a detailed c.v. to: R. H. Leland, Managing Director MARDORF PEACH & CO. LTD. 52 Mark Lane London EC3R 7PE

European Controller capple computer inc.

Slough then Paris over \$22,000 + car

Apple Computer International is the world leader in personal computing. Expansion into Europe will accelerate their impressive growth and earnings record.

The European Controller will play a significant role in achieving corporate objectives, combining financial planning and performance monitoring with control of the accounting function. Based in Slough initially, the post will relocate to Paris in 1982.

Candidates, qualified CA/CPA or equivalent, must have exposure to marketing-led growth in an international environment, reporting to US standards. Experience of European tax and currency procedures will be advantageous. Self confidence and determination will fit well with the management team, Age, mid 30's.

Please reply in confidence giving concise career and personal details and quoting Ref. U905:FT to PJJ. Williamson, Executive Selection.



Rolls House, 7 Rolls Buildings

N.M. Rothschild & Sons Limited

Loan Executive

We have a vacancy for an ambitious Loan Executive whose responsibilities will include credit analysis, appraisal of lending proposals and the development of corporate client relationships.

The successful applicant will be aged between 25 – 35 with an appropriate professional qualification, e.g. ACA, AIB and have a thorough grounding in this field. This must include experience of dealing with major clients, together with a good knowledge of the sterling and eurocurrency markets.

An attractive remuneration package will be offered to the right candidate. Please write with full details of career to date to:

P. E. Jones, N.M. Rothschild & Sons Limited,

New Court, St. Swithin's Lane,

LONDON, EC4P 4DU.

REGION ACCOUNTANT

London based with travel

c.£14,000

Flopetrol is the world's foremost welltesting company. We are a rapidly expanding subsidiary to the Schlumberger group involved in high technology oilfield service operations. We are currently seeking an accountant who will be based in London, but who will be required to travel frequently throughout a large multinational operating region.

As Region Accountant, responsible directly to local management and functionally to Corporate Finance, your duties will cover the total accounting function – management, legal and fiscal. You will be fully qualified, aged 27-30, will ideally have had exposure to

multinational organisations with some overseas experience, and will certainly have the sort of personality and skills to thrive in a very demanding environment. The prospects for the right candidate are outstanding.

The remuneration package will be competitive range of progressive benefits.

In the first instance, please send full details to: Mr. Peter Calder, Flopetrol Services Inc., 81 Piccadilly, London W1V 9HF.

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Top Executives

Our clients find better opportunities. Are you interested?

If your talents are being wasted, or your ambitions thwarted, we can help. Our highly skilled career management counsellors have all been engaged in a Top Management role. They understand your problems. After evaluating your true potential through discussion and analysis, they work with you through all stages of the job search until you find that better opportunity that is just right for you. Most of these better opportunities are never advertised.

We have an acknowledged standing in the employment market and an outstanding track record of success. That's why we're confident that after a preliminary discussion you will appreciate why we are able to offer the special sort of help that you need. So why not ring us today.

MINSTER EXECUTIVE LTD. 28 Bolton Street, London WIY 8HB. Tel: 01-493 1309/1085

Jonathan Wren Banking Appointments The personnel consultancy dealing exclusively with the banking profession 12

U.K. LENDING OFFICER to £16,000

Young, ambitious graduate banker (mid-late 20s) sought for U.K. business development role with prominent and expanding European bank. Candidates should have current experience of marketing the credit/lending services of an international bank

BOND SALES EXECUTIVE c. £18,000

Powerful London-based international investment bank wishes to engage an additional Bond Sales Executive who should have a stable and successful track record of some 3-5 years, specialising in the U.K., U.S., Middle East or Europe. Eminent merchant bank requires an additional Fund

Manager, aged 25-32, with a background of several

years' relevant experience in merchant banking or

INVESTMENT MANAGER to £12,500

CHARTERED ACCOUNTANT c. £9,000 DOC. CREDITS!

to £11,000

Assistant to Chief Accountant of soundly-backed international bank. Candidates should be Chartered Accountants in their 20s, newly/ recently qualified.

Ambitious, hardworking banker (25-32), with all-CREDIT ANALYSIS round Documentary Credits exposure and ability in credit analysis, sought for challenging and progressive role as assistant to a senior manager in a growing European bank.

CREDIT ANALYST For a leading U.S. bank subsidiary. Candidates, to £9,000

aged 24-27, should have banking backgrounds including sound knowledge of balance sheet analysis. Appointee will be Birmingham based, following initial 2 months' London training.

For further details, please telephone Brian Gooth or Paul Trumble.

First floor-entrance New Street 170 Bishopsgate London EC2M 4LX 01-623 1266

Finance for Industry Limited

with a special interest in shipping

to join the staff of FINANCE FOR SHIPPING-FFS-which is FFT's subsidiary dealing with the financing of the marine industries. FFS has experienced considerable growth in recent years and is involved in individual investments ranging up to £25m.

The person we are seeking will have a keen interest in business, particularly the marine industries, and the personal qualities to deal effectively at the highest level with the management of major companies. He or she will join a small highly motivated team whose job is to analyse all aspects of investment propositions in order to recommend the extent and form of FFS involvement.

The negotiation and documentation of complex transactions involving leasing, loan and equity finance, together with all the technical problems which arise during the life of the investment, are a substantial part of the team's work.

The team is also responsible for advising on OECD credits through Ship Mortgage Finance Company.

The successful applicant will have a university degree or a professional qualification. He or she will be in their late twenties or thirties with good and relevant experience gained probably in a merchant bank, in some sector of the marine industries, or in the professions.

A competitive salary is offered and the benefits include a car, an advantageous house loan scheme, generous pension scheme, life assurance etc. Please write to:-

Mr. W.B. Kirkpatrick, Director and Manager, Finance for Shipping Limited, 91 Waterloo Road, London SE1 8XP. with sufficient detail to make an application form unnecessary. All applications will be treated in strict confidence.

CHIEF EXECUTIVE - PACKAGING PRODUCTS £30,000+pa

The client a London based public company requires a CHIEF EXECUTIVE with demonstrable success in developing a profitable group of companies by: market extension, product innovation, licence agreements, and acquisitions.

The packaging interests presently have Sales of £25Mpa, and growth is required to generate pre-tax profits of £5M by 1984.

Candidates should write to Derek J. Shepherd as the consultant advising the client, quoting reference FIL-8101, and giving a comprehensive Resume of their career todate.

INTERNATIONAL LIMITED 115, Mount Street, London. WIY 5HD Tel: 01-493-6807

The Swale Work Initiation Measure, Imown as SWM, has now been established in the Swale area (Sittingbourne: Sheemess and Faversham in Kent) - it represents a unique and dynamic community response to the problems of youth unemployment in the area. The specific objective of SWIM is to take positive and constructive steps to encourage and create work and training opportunities in Swale for all young people.

The Ecord of Directors represent all branches of the Swale Community including Employers, Trade Unions, Kent County Council, Swale Borough Council and the Manpower Services Commission, Already the Swale Borough Council have demonstrated their commitment to SNIM and have set aside £25 000 for employment promotion activities through SNIM; in addition a community lighting fund is being established and many of the activities of SMAI will take advantage of funding through the Manpower Services

Action Controller Youth Employment Initiative

The next critical step is to appoint a full time Action Controller whose task will be to provide leadership and stimulate action. Reporting to the Board of Directors the job is action orientated, building on existing initiatives to create work and training opportunities developing and fostering new ideas and facilitating programmes of action which need either stranger support from employers of additional resources and facilities through existing Covernment Agencies.

Candidates, probably aged 30:50 must be effective co-ordinators and capable of developing and marketing the objectives of SMM. A creative and innovative approach is needed from a person who has had meaningful industrial or commercial experience. An attractive sulary and benefits package is negotiable which includes an initial contract for two years. We need to move quickly on this appointment and if you are interested OR if you know of a person that might fit the specification then in strict contidence contact Geny Cassell, Managing Director, New Appointments Group, Personnel & Selection Consultants, 5 Park Road, Sittingbourne, Kent, Tel: 0795 75431.



New Appointments Group Personnel Consultants

THE HOUSING CORPORATION promotes, funds and monitors housing associations. Following the promotion of the present post holder we need a

CHIEF INTERNAL AUDITOR

£14,015-£15,641+car (under review)

For this key post, reporting to the Chief Executive, we are looking for a qualified accountant with at least five years' experience in the application and review

interest to someone with substantial post qualification experience at managerial level in either the public sector, or with a large professional firm. It is unlikely that candidates under 35 years of age will have The opportunity is likely to be of particular the all-round experience required.

For further details and an application form, contact Jean Margrie, Chief Officer - Personnel. The Housing Corporation, 149 Tottenham Court Road, London WIP OBN. Tel: 01-387 9466, extn. 344.

The Housing **II** Corporation



MANAGING DIRECTOR

As our Managing Director will shortly be leaving to take up a new appointment with the parent company in Norway, we are seeking his successor. Borregaard Marketing Company represents the Mills of Borregaard Industries Limited in Sarpsborg. Norway, for the sales of pulp, fine paper, rayon staple fibre and non-wovens in the United Kingdom and Eire. In addition we are involved in trading—at present mainly in travelle warms. This trading activity will be extracted to exhaust textile yarns. This trading activity will be expanded to other products allied to those which we now market.

As a special emphasis is being put on fine paper marketing, it is necessary that the new Managing Director should have wide experience in this field. Because of a planned expansion in trading activities some experience in international trading is also desirable.

Further information may be obtained by contacting Ole H. Claussen, Borregaard Marketing Company Limited, Norway House, 21/24 Cockspur Street, London SW1Y 5BZ, telephone 01-839 4244,

Applications should be sent to: Jon Troften, Borregaard A.S. PO Box 162, N-1701 Sarpsborg, Norway

Borregoard A.S. is one of Norway's largest and most diversified industrial groups. It comprises production and sales companies in the fields of chemicals, consumer goods, pulp and paper, mining, international trading, etc. The Group has close to 7,000 employees. Annual turnover is approxi-mately NKr3.4 billion—about £285 million—of which nearly



BORREGAARD MARKETING COMPANY LTD

Internal Auditor

c. £10,500 + Car

The Wilkinson Sword Group is now being integrated as a major division of the Pittsburgh based Allegheny International Group and wishes to strengthen its internal audit department. Reporting directly to the parent company in Pittsburgh, this department is responsible for the audits of both Allegheny and Wilkinson subsidiaries in Europe and

The post requires, therefore, a well-qualified man or woman (ACA, ACMA, ACCA), preferably a graduate looking for their first or second job in industry. Self-motivation is essential and he or she must be able to make an immediate contribution to the team effort. The position will entail up to 50% travel within the UK and overseas.

As well as the excellent salary there are, of course, the usual benefits normally associated with a large international

For further details please apply with full CV to Judith Elbling Wilkinson Sword Group Limited, Langley Hall, Langley, Slough, Berkshire.



Accountant for Lloyd's Brokers up to £25,000

One of our clients requires a qualified accountant with practical experience in the insurance market, preferably at Lloyd's, to control the whole accounting/finance department of the company.
Reporting directly to the Managing Director, there will be opportunity to fully extend management skills and financial knowledge and there will be a substantial degree of independence in operation. This is a career appointment and for the successful applicant there are good prospects for promotion to the Board and the possibility of an equity share in the company.

Apply in strictest confidence to Stuart Rochester. giving details of career and experience to date, and listing in a covering letter those firms for which you do not wish to be considered.

Neville Russell. Chartered Accountants 30 Artillery Lane, Bishopsgate, London E1 7LT.

McANALLY, MONTGOMERY & CO.

Experienced Investment Manager

to fill a senior executive post in their Glasgow office. The successful candidate will, in addition to managing a number of in-house discretionary funds, he required to co-ordinate investment policy in conjunction with a London-based

research team.

An attractive salary will be paid together with other benefits, commensurate with age and experience. Interview can be arranged either in London or Glasgow.

In the first instance, please send details of coreer to date or telephone: N. H. Campbell, Esq.

McANALLY, MONTGOMERY & CO.

De Quincey House, 48 West Regent Street, Glasgow G2 2RB 041-333 9323

McANALLY MONTGOMERY & CO.

Members of Stock Exchange An experienced

Investment Manager/Executive

required to work with the Partner responsible for the Private Client Department. Salary commensurate with age and experience.

Contact in confidence: N. R. Wilson
MESSRS. McANALLY, MONTGOMERY & CO.
18 Finsbury Circus, London EC2M 7BH 01-588 2311

SENIOR DOCUMENTARY CREDITS CLERK

A senior position at our Head Office, Applicants need a minimum of five years' experience of all aspects of letters of credit in

Position carries good promotional prospects, Salary according to

Please write with c.v. to: Mrs S. Bendelman Personnel Department BANK LEUMI (UK) LTD. PO Box 2AF, 4-7 Woodstock Street London WIA 2AF

Corporate Management Accountant

From £11,000 (including London Allowance)

Shell U.K. Limited—the U.K. operating company of the Royal Durch/Shell Group-require an accountant to join the corporate management accounting team in the Financial Controllers department at Head Office (Shell-Mex House). Your duties will include the analysis of divisional operating plans and results and the preparation of top-level management information. In addition, the department co-ordinates the Company's capital expenditure budget, and is involved in the preparation of medium and long-term plans. Consequently this post offers a unique opportunity to obtain an overview of one of the largest oil companies as a starting post for further opportunities in Shell.

You should be a graduate accountant in the age range 25-32. You should be used to working to tight deadlines, and should be able to demonstrate a high level of both analytical and diplomatic skills. initially you would be based in London, but opportunities could arise at a later date for assignments elsewhere in the United Kingdom and

Starting remuneration will depend upon experience but will not be less than £11,000 (including London Allowance). We offer an excellent pension sheeme plus other benefits, including relocation expenses where

Please telephone or write for an application form quoting reference /25, to:



Shell-Mex House, Strand, London WC2R ODX

Tel: 01-438 3929

BAHRAIN

SHELL U.K. LIMITED, DKPCF/52,

£16,000 tax free plus bonus

Bank Head Office Auditor

Our client is one of the higgest banks in Bahrain. They now seek a Head Office Auditor who will report directly to the Managing Director. The post is challenging and in addition to performing an existing programme of internal checks, the successful candidate will also be responsible for assisting external auditors, reviews of operational procedures and controls, special investigations and the training of supervisory subordinates.

Preferably under 40 and single, he or she will be a qualified Chartered Accountant, with a minimum of five years' bank-related audit experience, who will be able to demonstrate a close familiarity with bank operating systems and procedures and internal control and computer-based financial reporting systems. European nationals are welcome provided they are fluent in English.

An initial three-year contract will be offered and in addition to salary the successful caudidate will be eligible to participate in the Bank's annual bonus scheme. Other benefits include free furnished accommodation and medical treatment, and 35 days' paid leave per amum.

Letters of application, together with CV, salary progression and any other relevant data, should be sent without delay to Mr CA Cotton, MIH Consulting Group Limited, Park House, 22-26 Gt. Smith Street, London SW1P 3BU, quoting reference A.256.

Consulting Group of Companies

Financial

A leading Chartered Accomminate from a major professional firm with 2 years well rounded post qualification experience and a record consistent with eventual partnership is required for a position which covers a wide and demanding range of duties. The Financial Analyst will at varying times be involved in corporate planning corporate and operating unit budgets, cash flow projections, financial forecasts, financial appraisals (both internal and external to the Company), financial and systems investigations, the review of management reporting and the preparation of reports for the Board.

Our client, SavaCentre Limited is a very successful and expanding Hypermarket operation which combines the expertise and resources of J. Sainsbury and British Home Stores. The business involves substantial capital investment, a very high standard of management, and very effective control systems. The Financial Analyst will report to the Financial Controller and will consistently work with senior executives. There are good prospects of a progressive career. The position will be based at Wokingham, Berkshire. Re-location assistance will be considered where appropriate.

For additional information please contact, in confidence, B. H. Mason at A leading Chartered Accountant from a major professional firm with

For additional information please contact, in confidence, B. H. Mason at 78 Wigmore Street, London Witt 9DQ, quoting reference 6053/FT. Both men and women may apply

John Courtis and Partners

YOUNG FINANCE MANAGER £ Negotiable around 5 figures

Companies whose interests in travel, haulage and ferry services represent the British based activities of a major

The candidate to be appointed will work closely with the Financial Director and carry responsibility for a large part of the financial accounting operations. The development of a fully computerised accounting and management information system is a major priority.

This is a new appointment based in Accountants aged up to 30, who are Central London which arises as a result prepared to travel to various locations of the rapid expansion of a Group of from time to time. They must be adaptable and capable of operating effectively across a wide range of tasks.

Career prospects are outstanding international industrial shipping group. and a comprehensive package of fringe benefits are offered including substantiai travel concessions.

Please apply in writing quoting 8080, to Peter Barnett FI.P.M., M.I.M.C. Barnett Keel Personnel Consultancy Services Limited, Providence House, River Street, Windsor, Berks. SL4 1QT. Applicants must be Chartered Tel: Windsor 56723 Telex: 849323.

lanagement

Applications are invited for this unusual appointment in a position of considerable responsibility and confidentiality.

Whilst an accountancy, legal or company secretarial qualification is desirable experience in . cash management, the handling of family and trust finances is essential. This is a very small team in contact with individuals and organisations handling financial and insurance affairs.

Impeccable integrity plus a professional approach and appearance are important attributes together with fact and a feeling for personal financial

An appropriate salary reflecting the importance of the position will be negotiated and it is located in

This appointment is open to both male and female candidates who should send adequate particulars initially, in confidence, to Peter Lee-Hale, Personnel Services Division of:



gement.

Spicer and Pegler Management Consultants, St. Mary Axe House, 56-60 St. Mary Axe, London EC3A 8BJ.

Lending

European Extractive Industry Group

Due to the rapid expansion of our business we have a requirement for additional first class Loan Officers in our London based European Extractive Industry Group. The positions are key to our worldwide development plans and will provide interest to self-starters with existing experience of the industry. The Officers, male or female, should be willing to travel and possess strong marketing, credit and documentation skills.

At Assistant Vice President level these positions are challenging and offer excellent prospects for career development. A competitive salary will be accompanied by a full benefits package.

If you are interested in applying, write with full salary and career details to: Teresa Andrews at the address below.



MARINE S4 Moorgate, London EC2R 6JH

S4 Moorgate, London EC2R 6JH

MARINE S4 Moorgate, London EC2R 6JH

QUALIFIED= ACCOUNTANTS £9,000-£16,000

There is no shortage of career development opportunities for high calibre qualified accountants and we, at Gresham Executive Appointments, are currently assisting a number of major companies across a wide range of industries to fulfil their U.K. and international recruitment needs.

We would be interested to hear from recently qualified accountants as well as those who can demonstrate successful progress in the profession or industry/commerce. Whether or not you are currently looking for a new appointment, you may find it helpful to discuss your career objectives with one of our specialist accounting and finance

As a first step, please send, in confidence, a brief C.V. to Angela Brough, Gresham Executive Appointments, West End House, 11 Hills Place, London W.1. or telephone her on 01-439 1466.

> Gresham, **Executive Appointments**

Eurobond Sales

Our client is a leading International Bank, based in the City. In connection with the expansion of its Eurobond sales operation, it wishes to appoint a further Institutional Sales Executive who will be wholly responsible for a particular acographical area of the market. This position will be a particular acographical area of the market. therefore involve a certain amount of international travel. You will be a graduate, probably aged between 25 and 30 and have had at least one year's experience of the Eurobond market, either while working for a City Stockbroker or a Merchant Bank. No great depth of knowledge of Eurobonds is required, rather a solid financial career to date and the ambition to develop further a highly successful international sales operation.

The remaneration consists of a very competitive five-figure salary, plus a bonus based on performance. There is also a full range of fringe benefits including an excellent

Please telephone or send a detailed v.v. in strict confidence to: Miss Philippa Rose, Grone Corkill & Associates Ltd., 23 Wormwood Street, EC2. Tel: 01-628 4835. housing scheme.

Crone Corkill

(Recruitment Consultants)

DEVELOPMENT OFFICER FOR PROJECTS

U.K. office of overseas group is looking for a Development Officer

The successful applicant will be capable of assessing the full requirements of a variety of projects worldwide, and preparing full feasibility studies, layout plans, etc., on a turn-key basis, and have qualifications in economics and/or business studies and administration, and have had previous working experience in this field. The Company is based in modern offices in the Harrow area of Middlesex and salary is negotiable according to qualifications and

Initially please send full cereer history or C.V. to: Sur A 75%, Francial Times, 10, Gannon Street, EC4P 48Y

GROUP VANCE DIRECTOR

(Designate)

Luton Our client is a medium sized, successful and expanding group manufacturing high quality automated special purchase machinery for large batch or flow line production, and other general engineering products. They wish to strengthen their management team by recruiting a group finance director (designate) responsible to the chief executive.

The main areas of responsibility will include control of the group's accounting function, improving management information to monitor performance, preparing budgets, cash forecasts and longer term financial plans, co-ordinating and leading the development of improved systems and procedures throughout the group, negotiating appropriate facilities, and contributing positively to the evolution of group financial plans and policies.

Candidates, preferably aged 35 to 45, must be qualified accountants with extensive experience at a senior level in engineering/manufacturing industry and with the maturity to make a constructive contribution. The salary is negotiable, plus car and appropriate benefits.

Applicants, male or female, should write in strict confidence with full details of previous experience and current salary, quoting reference NR 1731 to J. W. Hills at:

Neville Russell A.I.M., Management Consultants, 40/43 Chancery Lane, London WC2A 1]].

Young Qualified Accountant

Around £10,000 + **Banking Benefits Package**

Grindlays Bank Group is a leading international bank with assets exceeding £3.8 billion. With head office in the City of London it operates through a network of branches, subsidiaries and representative offices in 40 countries, providing a wide range of commercial banking, merchant banking and related financial services to major customers.

We need a Young Qualified Accountant to join the Group Financial Controller's team and assist in the preparation of consolidated financial planning and in the development of accounting systems and policies. The post will provide wide technical experience and it is envisaged that career prospects will be in the context of the international group.

Applicants must be qualified chartered or certified accountants, preferably with two or three years' post-qualifying experience in a banking environment.

Starting salary will be around £10,000 and an excellent benefits package includes subsidised house mortgage scheme, non-contributory pension scheme and staff restaurant.

Please apply with full career details to R. J. E. Barker, Grindlays Bank Limited, 36 Fenchurch Street, London EC3P 3AS.



Grindlays

INTERNAL AUDITOR

The Chevron Group of Companies are engaged in Europe in all major segments of the oil industry including, the exploration for, and production of crude oil, and the refining and marketing of a complete line of petroleum products.

We need a qualified accountant, or experienced auditor, to join the UK staff of our expanding European Internal Audit Team. Our company recognises the importance of a strong internal audit function and provides the prospect of a challenging career in auditing with the additional opportunity for movement into line management.

The post will be based in Croydon with some UK travel involved and possible audits overseas. The successful candidate will require the ability to deal with top management and a large degree of independence.

London EC4R 1AD

We offer very competitive remuneration including an attractive benefit package.

Interested applicants should write with curriculum vitae to:

Mrs. Lynn Pendlebury, Chevron Oil Europe, Inc., Southside, 105 Victoria Street, London SW1E 6QU

FIDELITY INTERNATIONAL MANAGEMENT, the rapidly expanding U.K. company in the International Fidelity Investment Group, require two more people to join their hard-working team in modern offices in the City.

Assistant Marketing Manager

To be responsible for the production of all promotional literature and building up direct mail systems. The successful candidate is likely to be aged 25-35, articulate, enjoy hard work in a stimulating environment and ideally have experience of marketing in an investment, insurance or banking field. An attractive salary is offered together with excellent fringe benefits including bonus, non-contributory pension scheme and huncheon

Unit Trust Assistant Dealer

To work in the Unit Trust Dealing Department. The position involves the processing of deals in the Fidelity Unit Trusts and Offshore Funds, a function which will be aided by computer systems. After training, the person will be required to act in a dealing capacity on the telephone. It is essential that the applicant is numerate and accurate with a pleasant telephone manner. The position will offer a competitive salary together with generous fringe benefits to include a bonus. It is likely that the age of the applicant will

Both positions offer excellent opportunity to join a successful, growing Company in the early years of its development and thus there are good career prospects. Please send a comprehensive CV to the Finance and Administrative Director, Fidelity International Management Limited, Buckingham House, 62/63 Queen Street,

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Wood, Mackenzie & Co. are members of The Stock Exchange with offices in Edinburgh, London and New York.

We wish to appoint an analyst to strengthen our expanding CIK and international oil company coverage. Candidates are likely to be in their mid-twenties, preferably with experience of investment analysis in the oil sector. Persons with an industry background. will also be considered.

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Please telephone Edward Simpson on 01-606 4040 or send him your résumé, including a daytime telephone number, quoting Ref. SF20/62.

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American Express have a unique reputation in the field of finance and banking. Travelers Cheques form an important Division within these operations and it is to strengthen the management team within our Treasury Department that we wish to make a new appointment.

The Treasury Department encompasses all cash handling, foreign exchange and investment activities. We are therefore looking for someone with experience of financial and investment matters and the flexibility and capacity to gain a wider understanding of all treasury

The person appointed must be able to carry out specialised projects or to assume full responsibility for one specific area, depending upon our immediate needs and your particular expertise. Qualifications are not as relevant as commercial experience which must include investment of funds. Versatility, ambition and man-management skills are considered key qualities as this position provides professional scope within a fast moving and progressive environment.



We offer a salary in the region of £8,500 together with valuable benefits which include a mortgage subsidy, a non-contributory pension, medical scheme and relocation assistance if applicable.

For an application form or more details about this position, please contact David Miller, Personnel Officer, American Express, Travelers Cheque Division, Amex House, Edward Street, Brighton BN2 2LP. Tel: Brighton (0273) 693555.

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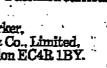
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S. Coast

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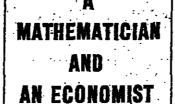
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concerned with financial planning, project evaluation and cost control. The successful applicant will be a qualified accountant aged 35 to 45 with at least 10 years sound industrial/commercial experience, including a close involvement with computer based control systems.

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Mrs. I.M. Brown, Ref: 19234/FT. Candidates, male or female, should telephone in confidence for a Personal History Form 01-734 6852, Sutherland House, 5/6 Argyll Street, LONDON, W1E 6EZ.

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Passing on the Remedies against theft of copyright tax on success?

BY ANTHONY HARRIS

resigned because he regards the Chancellor's windfall tax on interest-free deposits as "a tax on success," when it is in fact no such thing; and he has done so at a time when his friends the clearing banks seem determined that the tax shall become an annual event.

Air. Nigel Lawson originally espoused would indeed have been a tax on success—which is indeed the normal kind of tax, imagine. The inland revenue to collect its cash flow from bankrupts; but because the whole idea of windfall profits is Chancellor hungry for revenue aphorrent to the present Gov- is likely to be very interested in ernment, subtler thoughts pre- the spread of charges for servailed. The tax is now more like an oil royalty than a profits fax—it taxes the source of the ment is really free, then what-abnormal profits clearing banks ever funds are left look like a make in a credit crunch. The loudest wails have come from the unsuccessful not the successful - bodies such as the Co-operative Bank, which failed to turn its endowment of free funds to profit. The principle goes back to Ricardo, and is a

What has made the chairmen of more prosperous banks grind their teeth is a rather different question (which Mr. Renton, to be fair, finds equally disturbin2)—the question of changing the rules of the game after the whistle has blown. This is a paying interest on all balances egitimate complaint; but unfortunately their reaction to the insult is steadily undermining the complaint. They are altering their own rules in a way which seems to legitimise the you can draw cheques.

The almost daily announce account tradition to the world ment of new charges in contem- of free gifts and interest-rate olation for previously free serxices may look like a good way it. For the prospect, as seen to recoup the funds seized by from New York, is not exactly the Chancellor, but wise deci- alluring. U.S. banks are not only sions are seldom taken out of much less profitable than pique, and I wonder if the British clearers (despite higher banks have thought through all interest rates), but they are implications.

argued in the past that their a whole new school of retail supposedly "free" endowment money managers, led by the forpaid for their current account deposits in service rather than want to go?

MR. TIMOTHY RENTON, the in interest. This idea may late lamented PPS to Mr. John offend the tidy mind, but it has Biffen, is to be congratulated on worked rather well. The Enghis consistency, but not perhaps lish bank customer (though not, on his judgment. He has I believe, the Scottish) has always had an amiable laziness about collecting interest on small sums, and a liking for keeping his financial life simple. The fact that interest is taxable, but free bank ser-

vices are not, helps too. However, a customer facing a ecome an annual event. large bill for previously free The windfall profits tax which services, and finding his bank balance unaccountably shrinking, may not be so relaxed; bank chairmen are not the only human beings who suffer from whatever Mr. Renton may pique. He may well get more active about opening deposit has better things to do than try accounts or building society

> It is equally true that a vices; for if services are charged at cost, and the endowperfectly legitimate basis for taxation. The tax may have offended Mr. Renton, but the ordinary beer-drinking taxpayer has a rather different view.

Free gifts

Of course, this would only be a step on a different road; for banks who found that their endowment was no longer free would rather use the money to attract customers than help the Chancellor, Charges, in short, —to NOW accounts, money market funds, and even the latest invention from New York -Citibank's retail CD, at a half below interbank, against which

Now the clearers may have taken a deeply considered deci-sion to tread this path, and move from the British current huckstering; but I rather doubt plications. losing their market to the banks have always savings and loan movement, and in fact quite costly; they midable Merrill Lynch herd. Is this really where the clearers

a bookseller who seizes the copies of other men." Even earlier in the eighteenth century (with the beginnings of our copyright law) a person who appropriated to himself for his own benefit the composition of another had obloquy heaped

upon him. Yet those seeking to combat the modern pirate, who in-fringes film and broadcasting copyright by making video cassettes and selling them in the high street, feel passionately that pirating is too mild a word to describe this latest bout of infringement of copyright. They prefer to call the infringing copier a mean thief. Pirates conjure up a picture of a glamorous adventurer with a patch over one eye and a glint of mild impishness in the other; anything but the commercial that is relentlessly rogue hunted down by the protectors

of copyright The law, unfortunately, has so far favoured the less oppropirates. The Theft Act, 1968, and its predecessor, do contemplate the stealing of intangible, as much as tangible, property. A charge of the theft of copyright, therefore, is available against a person who dis-honestly sells the copyright in a book or film which he neither

his dictionary, defined a pirate figuratively-speaking as "a sea robber, any robber; particularly lem. Theft law does not cover the activity of reproducing copies in infringement of copy right in a film or a broadcast. It is all too readily assumed

that intellectual property, such as copyright, is being stolen by dishonest infringement of copyright. What is asserted is that the cassette copies of a film or television programme, as physical objects, belong to the copyright owners of the films recorded upon them. But the

copyright owners are not the owners of the tapes before their films are recorded on them; the tapes are owned by the copiers. How then, as copyright owners, can they assert that they have property in the cassettes of which the infringer intends permanently to deprive them? At the end of last month an attempt was made by a prosecu-

tion at the Old Bailey to nail some film pirates with a theft charge, in addition to charges of conspiring to defraud, an offence which has produced in the past its own crop of legal difficulties for prosecutors. The main offender, a Mr. Dawson, had been raided by the police at his laboratory in Essex where 400 illicit copy films were seized, together with an expensive Rank reproducing machine. He pleaded guilty and was fined a modest sum of money, but his co-defendants declined to plead

to anything more serious than does not follow that the infring a conspiracy to contravene that ing copies are his from the larly sympathetic to the use of section in the Copyright Act moment of copying for the purwhich simply makes it an offence poses of the law of theft. It is pirates, the civil law has poses of the law of theft. It is (a summary one, carrying a one thing for Parliament to aid recently proved less than help-maximum penalty on, the first the copyright owner in his purful. A few years ago the courts occasion of £50) to infringe snance of a civil claim; it is developed a procedure which another's copyright. Their altogether another thing for Parprovided a quick and efficient owners to

could not, in law, stick. The argument for saying that In short, it is plain that Secatheft charge will lie depends tion 18 gives the copyright upon a single section in the owner only civil rights and

another's copyright. Their altogether another thing for Par-counsel indicated that the liament to provide the basis of means to copyright owners to charge of consulring to steal criminal liability. And it has recover infringing articles and not done so.

BUSINESS AND THE COURTS

BY JUSTINIAN

infringing copy, as he would be

The section creates a fictional ownership, but does it do more than provide a civil remedy to the copyright owner entitling him to an order from the court as of right that infringing goods of a design copies be delivered to him? It If the criminal court

Copyright Act, 1956. It is said remedies as if he were the that Section 18 gives the copy-right owner a proprietary right creates no presumption of from the moment of recording. ownership for any other pur-The language of the section is, pose. That much seems to be however, less forthright. It supported by a copyright appeal gives the copyright owner "all in the House of Lords recently such rights and remedles, in in Infabrics Ltd. v. Jaytes Ltd. respect of the conversion or de- In that case it was held that the tention by any person of any section limited the measure of damages claimed by the copyentitled to if he were the owner right owner for infringement as of every such copy and had been would be recoverable as if he the owner thereof since the time he were the owner; under the general law those were equiva-lent to the values of the goods and damages could not be

through the addition to the

If the criminal courts have

pirates, the civil law has recently proved less than helpof discovering the sources from which these articles had been supplied and the persons to whom they have been distribu-ted before they could be

destroyed or concealed. The judges of the Chancery Division made orders at the instance of copyright owners before the legal proceedings were even served and before the culprits could be alerted to the legal action taken against them. The essence of the process was surprise. Many a pirate was successfully caught and put out of

business as a result.

All seemed to be going in favour of continuing success for the copyright owners, until last month when the House of Lords decided the case of Rank Film Distributors Ltd. v. Video Information Centre and otherst.

Owners of copyright in cone-matograph films discovered that some pirates were making and selling video cassette copies of the films. They hurriedly went to the judge and obtained orders awarded by reference to the increase in value of the goods permitting them to enter premises and seize infringing copies of the films, the premises belonging to the same Mr.

month at the Old Bailey. the pirate trade with Mr. Dawson, who were not the subject of criminal proceedings, were initially ordered to disclose relevant documents and to supply information to the copyright owners about the sale and supply of infringing copies; These persons opposed the orders on the grounds that by disclosing documents and answering awkward questions they might expose themselves to criminal proceedings. Reluctantly, the courts held that the privilege of every citizen against self-incrimination was so deeply embedded in our law that no exception could be made to combat the copyright

If only the pirates were in law thieves there might be a remedy to hand. Section 31 of the Theft Act, 1968, contains an express provision by which a person is obliged to answer questions put in proceedings for the recovery of stolen property and to comply with such orders. But no statement or admission so made is admissible in evidence against the interrogated person in proceedings for an offence under the Act The privilege against selfincrimination is thus removed without the dire consequences of exposure of criminality.

THEATRES

(1981) 2 WLR 646

Backers are turning to Beeleigh

BEELEIGH, who has contribu- likely to be against several ted so much towards the Neville originally due to compete, and Callaghan stable's bright start to the season, is the horse most backers are turning to in Saturday's Cecil Frail Handicap.

The much-improved Sallust gelding, bidding for a fifth con-secutive success, had his odds cut from 6-1 to 5-1 for the one

RACING

BY DOMINIC WIGAN

mile Haydock event by Mecca yesterday. Ladbrokes held his price at 7-2.

Those who missed the earlier and shortlived Mecca quote may feel still tempted by the Newmarket bay. The ground, is

ing Scotland. 8.30-9.00 The Cur-

rent Account Report. 12.10 am

Election Special. The Northern

Ireland Local Government Elec-

tion (early results, analysis).

News, Weather for Scotland. Northern Ireland—11.30-11.50 am For Schools. 12.20-12.45 pm

one or two absentees are virtually assured.

Only 16 remain in the Cecil Frail and it is encouraging to find both Ladbrokes and Mecca offering a fifth of the odds a place the first four.

The 7-2 favourite with Ladbrokes is due to shoulder 9 st on Saturday. Mecca's market leader, Home Coming, has been allotted just 2 lbs less. Beeleigh ploughed through

the mud to account for some maidens at Leicester in March. He won again on yielding ground when beating Melon Patch with plenty in hand on level terms at Chester a fortnight ago. Piggott rode Beeleigh to a

cheekily gained victory over the Thatch colt on the Roodeye and was also aboard the Callaghan

6.35 The Six Million Dollar

7.30 The Kenny Everett Video

8.30 TV Eye. 9.00 1981 British Beauty

Championships. 10.00 News. 10.30 Thames Report.

11.00 Lou Grant. 12.00 What The Papers Say.

12.15 am Close: "Sit Up And Listen" with Baroness

Airey of Abingdon.

ANGLIA

1.20 pm Anglis News. 6.08 About Anglis. 6.20 Arens. 6.25 Crossroads. 7.00 Benson. 10.30 Snooker: The Tolly Cobbold Classic. 11.00 240 Robert. 12.08 Paris by Night. 12.39 am Themes, presented by Gyles Brandreth.

ATV
1.20 pm ATV News. 4.20 Vicky The Viking. 4.45 Salvage—1. 8.00 ATV News. 6.05 Crossnads. 7.00 Emmerdate Farm. 10.30 Here And Now, presented by Zia Mohyeddin. 11.00 ATV News. 11.05 Lou Grant.

BORDER

1.20 pm Border News. 3.45 Andy's Party. 5.15 The New Fred and Barney Show. 6.00 Looksround Thursdby. 6.36 Crossroeds. 7.08 Emmardale Farm.

CHANNEL

Cassette.

8.00 Young At Heart.

gelding at Leicester. Richard Hannon's able apprentice, A. McGlone, was in the saddle on the two intervening occasions.

Home Coming, unraced as a juvenile, has won both his races on good going and on breeding he is by Habitat out of the Zeddaan mare Zeddara. There must be doubt about him getting Haydock's stiff mile should the ground prove holding.

Lower down the weights, two who seem sure to run at their best are the Michael Jarvis trained Ack Ack colt, Golden Flak, and Peter Walwyn's Northfields colt, Kareem.

GOODWOOD 2.00—Donna Luisa 2.30-Copt Hail Princess**

3.00—Our Birthday

3.30—Golden Bowl***
4.00—Red Toff* 4.30—Quay Boy

Today: 4.20 Spiderman. 4.45 The Flying Kiwi. 5.10 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.30 Heppy Days. 7.00 Emmerdale Farm. 10.28 HTV News. 10.35 Scene (The International Festival of Music held in Bath). 11.35 Fireside Theatre. HTV Cymru/Wales—As HTV West except—8.30-9.46 am Cymru A'r Mor. 12.00-12.10 pm Oweln A'r Olion. 4.15 Brendon Chase, 4.46 Ser. 5.15-5.20 The Flying Carpet. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.35-11.35 All Kinds Of Everything.

SCOTTISH "Sit Up And Westher. 1.30 Square. One. 5.15 Teles of Crime. 5.20 Crossroads. 6.00 Scotland Today. 6.28 Action Line. 6.30 Mr. 1.00 Scotland Today. 6.28 Action Line. 6.30 Mr. 1.00 Scotland Today. 6.28 Action Line. 6.30 Mr. 1.00 Scotland History. 11.30 Lets Call. 11.36 Tenspeed and Repumping.

> SOUTHERN 1.20 pm Southern News. 2.45
> Cricket Hampshire v The Australians.
> 5.15 Betty Boop. 5.20 Crossroads.
> 6.00 Day by Day. 5.30 University Challenge. 7.00 Emmerdale Farm. 10.35
> Cross-Channel. 11.05 The New

Cross-Channel. 11.05 The New Avengers.

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 1.20 pm. North East News. and Lookaround. 4.29 The Fantsstle Four. 4.45 Tarzen. 6.00 North East News. 6.02 Crossroads. 6.25 Northem Life. 7.00 Emmerdele Farm. 10.30 North-East News. 10.32 Sosp. 11.00 Check It Out. 11.30 Double Tog. 12.00 Exile in Ecstasy.

1.20 pm Ulster Decides: 3.45 Ulster Decides: More up-to-the-minute reports on election results. 5.75 Carroon Time. 5.20 Crossmads. 6.00 Ulster Decider 1.20 pm Channel Lunchdme News, What's On Where and Weether, 6.02 Channel Report, 6.35 Crossroads, 7.00 The Television Programme, 10.23 Channel Late News, 10.35 Paris by Night, 11.05 Polics Surgeon, 11.25 News and Westhet in Franch. 5.20 Crossmads, 6.00 Ulster Decides (coverage of the results from the local government elections, with news and comments from around the Province), 6.50 Police Six. 7.00 Emmendels Fam. 10.29 Ulster Weather, 10.30 Ulster Decides (round-up of the day's election results). 11.00 Police Surgeon. 11.30 Bedtime. GRAMPIAN

9.25 am First Thing. 1.20 pm North
News. 5.10 Polics News. 6.00 North
Tonight. 6.35 Crossrosds. 7.00 Top
Club. 18.30 Soap. 11.09 Thriller:
"Murder is a One Act Play." 12.15 am
North Headlines.

WESTWARD 12.27 pm Gus Honeybun's Sirthdaya.
1.20 Westward News Headlines. 6.00
Westward Diary. 5.35 Crossroads. 7.00
The Television Programme. 10.32 Wests
werd Late News. 10.35 Paris by Night.
11.05 Police Surgeon. 11.35 Faith for

ward Late News. 10.55 Paris by Night.
11.05 Police Surgeon. 11.35 Faith for
Life. 11.40 Yest Country Weether and
Shipping Forecast.
YORKSHIRE
1.29 pm Calender News. 4.20 Jeson
of Star Command. 4.45 Little House
on the Prairie, 6.60 Calendar (Emley
Moor and Belmont editions). 6.35
Crossroads. 7.00 Emmerdele Farm.
10.30 Calendar Carousel. 11.00 The
Monte Carlo Show.

1.20 pm Granada Reports, 14.20 Movié Matines: Patricie Hayes in "Grass-hopper Island." 6.00 Granada Reports, 6.26 This is Your Fight 6.30 Cross-roads, 7.00 Emmergible Farm, 10.30 Celebration, 11.00 What The Papers Sav. 11.20 Lifebre.

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THEATRES: ADELPHI. S. CC. 01-836 7611. Evs. 7.30.
Sat 4.0r and 7.45. Mats. Thurs. 3.00.
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2: RAGING BULL CO., Progs. 2.55, 5.30, 8.25.
3: SUPERMAN II (A) in Dolby Storco. Progs. 12.20 (not Sus.) 2.40 5.25 8.20.

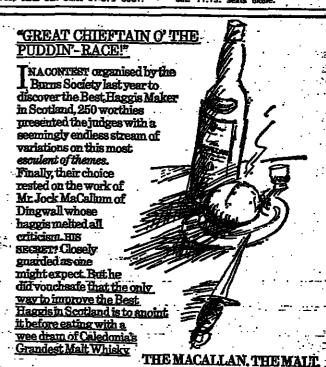
0310. Opp. Tothshem Ct. Rd. Tube. Fully air-conditioned. O. Props. T.30. 145. 6.05. 8.25. 21 THE FUNHIOUSE OO In Dolby Steres. NY 81.009Y VALENTINE CO. Props. 12.40, 4.05. 7.30. 3.71E LONG GOOD FRIDAY (X). Progs. 1.30, 3.50 6.10. 8.30. 4. ORDINARY PEOPLE (AA). Progs. 12.50. 5.20, 5.50. 8.25. 21.250. 5.20, 5.50. 8.25. 21.250. 7.08, 9.00...

5.10. 8.55. 3.15. 7.00. CURZON, CUIZON Street, W1. 499 3727 BURT LANCASTER, SUSAN SARANDON For LOUIS MALLET ATLANTIC CITY (AA). Film showing 2.00 (cx. Sun.), 4.08 6.20 and 8.40. Opening June 18 Truffaut's THE LAST METRO (A), 1

ODION HAYMARKET (930 2758-2774) CHARIOTS OF FIRE (A). Sep. progs. dg. 2.25 S.50, 8.55. Late Night Show Sat. 11.45.

ODEON MARBLE ARCH W2 (723 2011) IT'S MY TURN (AA). Sep. pross. Doo open 2.00, 4.45, 7.30, Sun. 3.30, 7.14 Late Night Show Sat. Drs Open 10.44 PRINCE CHARLES, Leic. Sq. 437 818 British Premiere Presentation CALIGHE 04-58-5, perfs. dry. inc. San. 2.15, 5.3 64-5, Lip Show Fri & Sat 71.55. See Biddio. Leid Bar.

STUDIO 4. Oxford Circus. 437. 23. Lic'd bar. SUPERMANT II (A). Sep. pei dly. 2.15, S.15, B.15. Late show Frl. 4 Sat. 11.15. Scats bloble.



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BBC 1 ilndicates programme in

6.40-7.55 am Open University (Ultra high frequency only). 9.00-11.50 For Schools, Colleges. 12.42 pm Regional News for England (except London). 12.45 News. 1.00 Pebble Mill At One. 1.45 Chock-A-Block, 2.00 You And All Region Me. 2.15-3.00 For Schools, Colass follows: 3.53 Regional News for Penelope Pitstop. 4.40 Heidi. 5.00 Wales. John Craven's Newsround 5.05

Adventures of Morph. 5.40 News.

5.55 Nationwide (London, and South East only). 6.20 Nationwide.

Day. 11.18 News Headlines.

Cymru/Wales - 5.55-6.20

Regions s.55 Regional News for Cymru/Wales — 5.55-6.20 pm England (except London). 3.55 Wales Today. 6.55-7.20 Heddiw. Play School. 4.20 The Perils of 12.10 am News, Weather for Penglone Distant 4.40 Paids 5.00 Wales Scotland-12.40-12.45 pm The Blue Peter. 5.35 The Amazing Scottish News. 5.55-6.20 Report-F.T. CROSSWORD PUZZLE No. 4,574

3 Ill-omened baker's dozen for

some in bingo (7.8)
4 Without duck, fish or fruit

6 Three spheres uncles endorse

8 Instruments of torture to test in making what-d'ye-call-

9 Want to desert one's country

16 A periodical of a painter

make an advancement (8)

19 Note to quote and repeat

21 Deed it changed and cor-

23 To take a direction about

Solution to puzzle No. 4.573

COMBINE NO. 4.573

ENCASED BALLAIST

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another direction could be

from memory (6)

rected (6)

dim (5)

(6)

(9)

7 Harden within river (5)

ACROSS I One who defames dealer accepting copper in return

10 A photograph nevertheless 11 Like a watch turned too much on top of injury (9)

12 Cheap rate in exchange from

5 Jump at odds on prize-

lighters and their associates

province of a Greek 13 Old note or a note from the Pope (5) 14 Make neat and clean using

15 Soldier or experienced actor 20 Young chicken put right inwe hear (7) - -18 American farmer hurried and caught her (7)

20 Whitener left in sand (6) 22 Intermediate numeral to leave and preclude (5) 24 Peevish exclamation could be a puzzle (9) 25 Essential type of spirit (9)

26 I'd put nought in it, being a fool (3) 27 One way to encircle a drove of horses (6) 28 Marked with spots and lost

blood around skin (8)

1 Ornamental tuft allowed up outside (6) 2 I'm appearing in a-race with 6.55 Tomorrow's World.
7.20 Top of the Pops.
8.00 Are You Being Served?
8.30 Butterflies.

11.20 Kojak. All Regions

3.30 Election Special. 3.53-3.55 Northern Ireland News. 5.55-6.55 9.00 News. 9.25 The Chinese Detective. Special. 10.15 Spotlight—Election Special 10.55 Kojak (as BBC2 at 11.20 pm). 11.45 Question Time 10.15 Question Time with Robin (as BBC 1 at 10.15 pm). 12.45 am News, Weather for Northern England—5.55-6.20 pm Look All BA Regions as London
East (Norwich); Look North (Newcastle); Look North West ANGLIA

(Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (South-ampton); Spotlight South West (Plymouth).

6.40-7.55 am Open University. 11.00 Play School. 2.15 pm Racing from Good-wood. 4.50 Open University.

BBC 2

6.35 Tales From A Long Room. 7.10 Mid-Evening News.
7.25 Delia Smith's Cookery Course.
7.50 The Pursuit of Power:
Robert McKenzie talks to
The Rt. Hon. Enoch

Powell, MP.
8.30 "People From The
Forest," by Stephen Davis.
9.55 Man Alive Jack Pizzey examines connections between the state and big

business in Switzerland. 10.45 Newsnight. LONDON

9.30 am Schools Programmes. 12.00 Woofits. 12.10 pm Get Up
And Go. 12.30 The Sullivans.
1.00 News plus FT Index. 1.20
Thames News. 1.30 Take The
High Road. 2.09 After Noon

Plus. 2.45 Tights. 3.45 Look Who's Talking. 4.15 Aubrey. 4.20 Little House On The Prairie. 5.15 Emmerdale Farm.

Radio Wavelengths

4 200kHz/1500m

5.45 News. 6.00 Thames News.

1053kHz/285m 1089kHz/275m

2 693kHz/433m 909kHz/330m & 88-91vhf stereo

10.00-12.00 John Peel (S),

(\$) Stereophonic broadcast #Madium wave

5.00 am As Radio 2. 7.00 Mike Read.
9.00 Simon Bates. 11.00 Andy Peebles.
12.30 pm Newsboat. 12.45 Paul Burnett.
2.30 Dave Lee Travis. 4.30 Stove Wright. 7.00 Dave Lee Travis with "Wheels." 8.00 Richard Skinner.

RADIO 1

RADIO 2

RADIO 3

HTV 1.20 pm HTV News. 2.00 Hera

Sav. 11.20 Lifeline.

GRANADA

BBC Radio London: 1468kHz, 206m & 94,9vhi

and Pizzetti (S). 11.25 Michael Lorimer and Pizzetti (S). 11.25 Michael Lorimer Baroque Guitar recital (S). 12.00 Milwaukee Symphony Orchestra (S). 1.00 pm News. 1.05 Bristol Lunchtime Concert (S). 2.00 Bartok and Heydn (S). 3.00 in Repertory: John Strana on "Oteilo" (S). 4.00 Rozhdestvansky canducts the NCOS Orchestra (S) Orchestra (S) Orchestra (Sides). 4.55 News. 5.00 Memly for Pleasure (S). 7.00 Talking About Mugic (S). 7.30 Radio Theatre 81 (S). 8.10 Words. 9.15 Grieg's Symphony in C miner (S). 9.55 Mozart and Bertok violin and piano recital (S). 11.00 News. 11.05-11.15 Alexander Kipnis (beas) sings Brahms.

VHF only—Open University: 5.55-6.55 am and 11.15 pm-12.58 am.

S.00 am Ray Moors (S), 7.30 Terry.
Wogan (S), 10.00 Jimmy Young (S),
12.00 John Dunn (S), 2.00 The Ed
Stewart Show (S), 4.00 David Hamilton (S), 6.00 David Symonds with
Much More Music (S), 8.00 Country
Club with Wally Whyton (S), 9.00
Alan Dell with The Beg Band Sound
(S), 9.55 Sports Desk, 10.00 The News
Huddines with Roy Hudd, 10.30 Star
Sound Stra, 11.00 Bran Matthew
with Round Midnight, 1.00 am Trucker's
Hour with Sheils Tracy (S), 2.00-5.00
You And The Night And The Music (S), RADIO 4 6.90 em News Briefing, 6.10 Farming 6.90 em News Briefing. 6.10 Farming
Today. 5.25 Shipping Forecast: 6.3e
Today. including 8.45 Prayer for the
Day: 7.00. 8.00 Today's News; 7.30
8.30 News Headlines: 7.45 Thought for
the Day: 8.35 Yesterday in Parliament.
9.00 News. 9.05 Checkpoint. 9.30 The
Living World. 10.00 News. 10.02
Policing the 80s. 10.30 Paily Services.
Policing the 80s. 10.30 Paily Services.
Analysis. 11.50 Englire Within 12.00
News. 12.02 path You and Yours. 12.27
News. 12.02 path You and Yours. 12.27
Brain of Britain 1981 (5). 12.55
John Sach's Late Show. 12.08 Midnight,
Special. 6.55 am Weather. 7.00 News, 7.05 Morning Concert (\$), 8.00 News 8.05 Morning Concert (continued). 9.00 Villa-Lobox (\$), 10.00 Beethoven cello News. 9.05 This Week's Composer. and plane recitet (\$), 10.35 Poulence

BBC Radio London

World At One. 1.40 The Archers. 1.55
Shipping Forecast. 2.00 News. 2.02
Women's Hour. 3.00 News. 3.62 Afternoon Theatre. 4.00 The Laughtersingers
(S). 4.15 Bookshelf. 4.45 Story Time.
5.00 PM: News Magazine. 5.50 Shipping Forecast. 5.55 Weether, Programme News. 6.00 News. 6.30 Any Answers.
6.55 It's a Bargein. 7.00 News. 7.05
The Archers. 7.20 Time for Versa. 7.30
Beethoven concart at Tanglewood, part
1 (S). 8.15 A Hobby for Authors. 8.35
Tanglewood concart, part 2 (S). 9.15
Kateidoscope. 9.59 Weather. 19.00 The World Tonight. 11.00 A Book at Bedtime. 11.16 The Financial World Tonight. 11.30 Today in Parliament.
12.00 News.

5.00 am As Radio 2.6.38 Rush Hour, 9.03 Morning Star. 10,03 The Robbie Vincent Telephone Programme. 12.30 pm London News Deak. 12,40 The Total Music Show. 2.30 Tony Blackborn, 5.00 News. 5.15 Music on the Move. 6.33 Openings. 7.03 Black Londoners. 3.06 As Radio 1.00.00 Question Time from The House of Commons. 11.00-5.00 am Join Radio 2.

London Broadcasting
6.00 am—AM—Bob Holnass and
Douglas Cameron. 10.00 Brian Hayes.
12.00 LBC Raports. 7.00 pm London
LHe, 9.00 Nightline. 12.00 LBC Reports
Midnight. 1.90 am Night Extra. 4.00
The London Interview. 5.08 Morning
Munic

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The magic of Balanchine by CLEMENT CRISP

The New York City Ballet—in through the forest, observe the middle of a nine-week Hypolita and her bounds, watch season of concentrated dancing and choreography that would keep many another company on Bottom, track the turns and the go for the whole year—doublings back of the story. The formances I saw last week. To every challenge that Balanchine doublings back of the story. The first act is masterly in economy, but never spare or under-nourished. Heleng and erchant makes of his dancers, in matter of speed, assurance, musical intelligence, bravura, the dancers respond with movement that is clear, generous in impulse and outline, noble. The dance seems to gleam with life, with a joic de danser; and in works as disparate as Orpheus, A Midsummer Night's Dream, even Vienna Waltzes, there is dramatic playing, very different from conventional balletic "acting," which shows how NYCB and its ballet-master have a potent and persuasive way of treating the emotional resonances of their art.

A Midsummer Night's Dream is a fascinating work, not least in comparison with Ashton's Dream which uses some of the Mendelssohn's incidental Mendelssohn music to deal with part of the same story. Balanchine tells the whole tale—amazingly, in the first of the ballet's two acts, for the second is a culminating divertissement which contains only mysterious and poetic echoes of the narrative. What is especially delightful is the way Balanchine sets out Shakespeare's plot with a Mendels-sohnian lightness. Every inci-dent is there, save for the rude mechanicals' play-acting which is only hinted at, but presented true mid-summer magic. often by allusion.

Balanchine loves the play and he expects us to love it as much. He labours a dramatic point it is as if he says "Do you remember how. ?" and sketches just enough of the action for us to take his point before whisking the story onwards, rather as the leit-motivs in the overture briefly appear and disappear. The scenery by David Hays allows swift changes of location so that we follow the lovers

Malvern Festival

on audiences less primed with

culture than in places that have

and dramatic programmes of the festival, there is an optimistic

Fringe of about 100 items.

The Devil's Disciple, ably

for the festival by Barclays

Bank. It is strongly cast in the

senior roles, with Anthony Quayle as General Burgoyne,

Denis Lill as the Rev. Anthony

Anderson, Carmen Silvera as

Mrs. Dudgeon, and Bernard

There is good work too

mong the younger players.

Innathon Coy is an impressive

Tick Dudgeon, though his own

inate good manners emphasise

braw's cheating in his concep-

on of this part. Dick is sup-used to be the wickedest man

New Hampshire in 1777, a

muggler and an associate of

Eresslaw as Major Swindon.

which the festival itself pro-

motes, no doubt confident of its

own drawing power.

Puck fetch the flower for Oberon, spy on Titania with are touching, real—and enchantingly taken by Lourdes Lopez and Judith Fugate; Titania's infatuation for Bottom occasions a duet both comic and oddly erotic; and even sad, thanks to the playing of Karin von Aroldingen and Bart Cook, bemus and delighted under his ass's head. And austaining the story-telling is choreography that flashes and darts, encompassing soaring entries for Hyppolita (Kyra Nichols, dancing with the lift and speed of an arrow), a flickering solo for Oberon (E) Andersen, slightly disappoint-ing) and mocking irruptions for Puck (Jean Pierre Frohlich).

music to the play is supplemented with three overtures and the ninth string symphony, its adagio used, in the second act diagno used, in the second act divertissement at Theseus' court, for a pas de deux whose tenderness hymns the happy love which is the outcome of the play for each of its pairs of lovers. Lyrical in its passion, it is a passage of extraordinary beauty, danced with liminous grace by Suzanne Farrell and Peter Martins. And at the end Puck sweeps all away, leaving only the gleam of fire flies in the forest as the curtain falls—

It is 30 years since I last saw Orpheus, when NYCB first came to Louidon. Then it seemed an intimate view of the myth. Now. for the expense of the State Theatre stage, the Noguchi properties have been re-scaled, and the ballet seems enlarged. Yet because of Peter Martins' heroic appearance as Orpheus, the tragedy retains all its gestural and dynamic density. More monumental and archaic, it appears more "like".

during his ridiculous trial.

e permanent repertory theatre. side, like poor Judith Anderson,



Balanchine with Christopher Byars, " The Spellbound Child

the Noguchi designs with their weathered. hieratic forms. Martins' intense presence-rarely has passive grief seemed more positive—is matched by Karin von Aroldingen's simplificate as Empirical as continuous as the incinuous as city as Eurydice as she insinu-ates herself round Orpheus during the journey from Hades, and by the remote, bizarre quality of Adam Linders as the Angel, uninvolved, fulfilling a ritual whose outcome he seems to know. These three central interpretations are so pungent that they pervade the ballet and the air the choreography breathes. Orpheus seems as haunting now as it did in the 1950s, its style not dated, but

to provide the emotional is well used; the dancers are momentum for the Gold and as buoyant as the dances, and Silver section of Vienna Waltzes. In the role associated with Kay Mazzo, Miss von Aroldingen (who, like Balsn-chine, knows all there is to know about the waltz) comes into Maxim's as the most beautiful woman in the world, and mests Mr. Martins, who is there as Adonis in full regimentals. What ensues is the luscious, romantic realisation of the waltz as the heart of every operettaschmaltz in excelsis, but

with sublimity of step. The atti-tudes implicit in the choreo-graphy are those of courty good manners—the dances take place in some imagined Schön-brunn—and patterns and phrasing have a felicity and elegance entirely Mozartian. The piece calls for, and The piece calls for, and villian boys, testimony to the receives, performances of Danish training that is a significant coatrol. Among its cant part of the NYCB classicast Kyra Nichols was radiant, aristocratic; Stephnie Saland allowed the choreography to sing through her body; Darci Kistler, wunderkind of the com-pany at 16, seems to dance for the joy of it. In two performances I found this ballet pro-foundly moving in the way it offers so harmonious a view of dancing, so rigorous out so aspiring a portrait of its interpreters. In its vitality and

Peter Martins' progress as a Choreographer — he has made realised for this occasion.

choreographer — he has made not persuaded that the piece is more than a skeleton—it looked more than a skeleton—it looked very apparent in his Sonate di Scarlatti which dates from 1979. Heather Watts and Bart Cook, plus four couples, are involved in duets, quartets, a cunningly linked series of solos for the men, that are sparked off by the bright accents of the

reverberant as the myth riself. sonatas, played by the planist Drigo's score for The Magic Miss won Aroldingen and Mr. Jerry Zimmerman. Everything Flute, which Lev Ivanov made is neatly devetailed; the stage first for the students of the to provide the emotional is well used; the dancers are however the dancers are however. burg. The story is pastoral tardadiddle, the score no more than eau sucree, but the SAB my only quibble has to do with a slightly unrelenting vivacity. No quarrel at all with Martins newest ballet, made for the students of the School youngsters romped and charmed their way through neat dances. Yet more new choreography of American Ballet, NYCB's academy. The school's annual came from Joseph Duell of NYCB, who staged Milhaud's La workshop performances at the Juilliard Theatre, like our own Royal Ballet School matinees Creation du Monde with a nice sense of his young cast's abilities. He has a feeling for move-ment, and an ability to manoeuvre his forces: a talent are a time for talent spotting. This year's programme opened with Martin's Capriccio Italien to encourage.
The SAB students, (which could be seen as a fore-runner of the Chaikovsky Festival NYCB is to present in appear enchantingly as fairies and insects in A Midsummer

Among other ballets, Balan-Festival NYCB is to present in chine's Divertimento No. 15 June). It proved an ideal show-matched Mozart's sublimity case for apprentice dancers and Night's Dream, also feature in case for apprentice dancers and also an accomplished response the latest Balanchine enterprise. This is a new production of L'Enfant et les Sortilèges for to its score. Here were clean lines, the quick responses, the television. Balanchine was responsible for the choreooutstanding schooling.

The leading girl, Lisa Jackson, was bright, musical, a true dancer; a trio of Bournongraphy of the original produc-tion in Monte Carlo in 1925; he re-staged it in New York in 1946. and again for the Ravel Festival in 1975. Now, with all the tech-nical resource of television, the magic of this "lyrical fantasy" has a chance to work without cism, was led by Gen Horiuchi, who nipped and tucked through the dance with liveliest skill. tions of operatic theatre. Among his companions, young James Sewell shone in a The result is beguiling. Clever design by Kermit Love for pup-Bournonville novelty also in the pets and humans; a musical performance under Manuel Rosen

programme. This was a reconstruction by Adam Lüders and the Danish musicologist, Knud thal that is entirely idiomatic (though the balance between A Jurgensen, of a trio and galop from Childhood of Erik Menzed. The ballet, dating from voices and orchestra is too much boy, Christopher Byars, who looks credible—the English translation): a little 1843, has long since been lost, generosity of classic manner, it but recently discovered choreo-says something pertinent about graphic notes, written on a could not accept a dwarf the spirit and idealism of violin score in the Copenhagen soprano; NYCB's artists as the Royal Library, offered indicabewitched creatures who surtions of steps that were round the child, and Balanchine's unobtrusively apt dances, all make for a producflimsy in the writing for two girls—but young Mr. Sewell innocence and the sophistication that lie at the heart of this brought classic elegance to an masterpiece, Public Broadcastinteresting male solo: here is a premier danseur in the making. Child-a Peter Martins also produced new version of Riccardo America production-next week.

BMIC

Alan Brett

by RICHARD JOSEPH

Chris Dench's threshold was postponed to July, the programme cellist. Alan Brett assembled for his solo recital at the British Music Information Centre on Tuesday night was one of the most demanding imaginable. Early and late Xenakis framed the concert; Momos featured a wide and seemingly disconnected range of new instrumental resources, while Kottos amhave all the technical equipment needed to present these works completely without compromise, his musical intelligence invari-ably found clear-headed cogent

formance of James Dillon's par-junya-vain ("This means wind and rain . . . something to do with the monsoon, I think"), night.

Even though the premiere of another work which presented driftglass/ a contrapuntual richness of thought and action in terms of a basically monodic instrument. Dillon also takes risks with the time scale and relative propor-tions of his material that almost invariably pay off; this is a remarkably fine work from an increasingly promising com-

to ; លោជ (ade

Relative time-scales were also nicely treated by Michael Finnissy in Alice. The opening featured a marvellous juxtaposibitiously strung many of these tion of slow action and fast same discoveries together in a sound, which succeeded in polyphonic-sounding construction of great power and virtion on the smallest aural tuosity. Although Brett did not details. Howard Skempton's Bends and Breather, a pair of short, elegant pizzicato studies sat comfortably on either side of the interval.

Brett is clearly a musician solutions.

and advocate first, cellist
This keen musicianship was second. One hopes that his
tested further by the first per-future explorations will be accompanied by as large and enthusiastic an audience as he deservedly won on Tuesday

UK ECONOMIC INDICATORS

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FCGMON	IIC ACT	TVPTV_1	indicae a	f indust	nial pro	duction.	manu-
factoring	output	(1975=	100). en	oineerin	e order	(1975=	100):
relail sa	les volum	ne (1978	=100)	etail sa	les valu	e (1976=	100):
registere	d men	ploymen	t (excl	uding	school	leavers)	and
	vacancies	(000s).					
	Indl.	Mfg.	Eng.	Retail	Retail	Unem-	
	prod	putput	prder	yol.	yalue*	ployed	Vacs.
1979	_		-				
4th qtr.	112.6	104.2	101	109.1	185.9	1,286	230
1980							-100
1st qtr.	110.0	100.1	100	110.2	158.6	1,379	193
2nd qtr.	106.6	95.8	98	109.2	164.3	1,498	159
Srd qtr.	102.9	93.2	84	108.9	170.3	1,699	120
4th qtr.	100.4	89.2	79	109.0	205.2	2,020	98
June	106.6	96.3	108	109.5	167.1	1,542	145
July	105.1	95.3	88	108.5	172.8	1,609	128
Aug.	102.5	93.0	89	109.6	157.6	1,697	120 111
Sept	101.2	91.5	74	108.5	170.4	1,791	
Oct.	100.9	90.3	76	109.7	179.1	1,893	100
Nov.	100.7	89.4	83	109.2	192.8	2,030	96
Dec.	99.7	87.8	80	108.4	236.0	2,137	99
1981				440 =		0.004	100
lst qtr.	98.7	87.3		112.7	174.4	2,304	
Jan.	98.3	87.2	88	114.0	177.6	2,228	104
Feb.	99.1	· 87.9		112.9	170.1	2,304	98
March	96.7	86.9		111.5	175.4	2,381	97 95
April				112.5		2,446	20
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OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

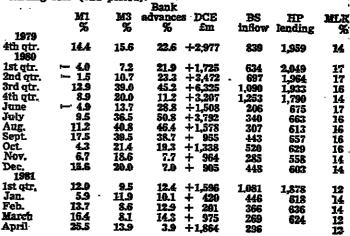
Consumer Invst. Intmd. Eng. Metal Textile House 1979

4th qtr. 123.2 117.1 116.9 124.0 121.0 116.0 116.0 118.0 1981 84.4 86.0 84.0 10.5 10.1 10.9 10.6 ist atr. Feb. 94.0 118.0 78.0

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); of balance (£m); terms of trade (1975=100); exchange reserves.

Export Import Visible Current Oil Terms Reserves. volume volume balance balance balance trade US\$bn 4th qtr. 1980 133.0 126.2 126.2 118.7 --320 +616 - 88 +87€ 125.1 126.5 +222 + 22 + 98 + 23 + 39 + 133 + 54 + 35 105.6 103.8 104.3 106.0 105.3 105.3 105.6 4th gtr. June 111.8 124.2 +1,885 + 81 +403 + 72 128.9 128.6 117.1 120.5 114.8 106.3 114.6 114.5 July Aug. Sept. Oct. 123.8 121.9 124.5 129.4 +429 +711 Dec. 1981 1st atr. Jan. Feb. 123.9 121.7 114.3 +614 +231+314

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted, Minimum lending rate (end period).



INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of eommodity muea sterling (1975=100). Earn- Basic Whsale.

matis. mnfg. RPI Foods comdty, Strig. 161.7 182.9 181.8 167.7 178.9 255.9 259.3 260.7 201.3 199.0 301.9 275.13 269.25 193.3 183.7 203.3 201.1 206.1 201.0 273.9 265.7 267.9 100.2 94.5 95.6 96.8 97.6 99.2 267.45 185.1 186.5 193.6 189.9 259 9 201.8 203.5 259.0 259.0 275.38 276.44 202.1 201.4 203.4 205.1 204.5 205.3 206.2 206.7 270.2 271.9 274.1 259.3 260.0 280.4 277.3 279.8 284.0 212.2 209.9 212.0 257.79 251.88 259.93 209.7 214.0 217.7 266.7 268.9 162.0 102.5 214.8 217.8 March 261.56

Elizabeth Hall

The Devil's Disciple | Hinz und Kunst

Melodrams is an ideal choice courtesy at the time of his for a festival of this kind, partly arrest by the British soldiers dedicated to Shaw and relying and, with a moment's relapse, British debut of a new music Of course we are all on his Not that there is any shortage who has to go back to her of culture in Malvern at the husband. In the end, even though the foolishness of the

hanging at the last moment. Mel Martin does well withoccasion. Hinz und Kunst have been closely associated for some years with the composer Judith, blending her excessive righteousness cunningly with her natural affections. As Anderson, Denis Lill presents directed by Richard Digby Day, a muscular Christian as likeable and extremely well designed by as Dick, though at the other end John Gunter, originated at of the spectrum. I couldn't help Nottingham, and is sponsored a moment's sympathy for Judith a moment's sympathy for Judith when it was clear that their married life must continue after all on its own lines; but they were fairly liberal lines for an 18th century American Presby-Anthony Quayle's Burgoyne is beautiful cameo; smooth and

intelligent to a degree that puts to shame the rest of the British army, most of whom were Germans at the time anyway. Bernard Bresslaw overdoes the vulgarity that seeps into Major Swindon's lines; he is funny, but and by heart: a small redempnot convincing as a British officer of the time. Carmen who were a supported to the most silvers as Mrs. Dudgeon sets immoral things Shaw could the pace in the beautifully think of. Yet from his first written first act, but then like ppearance, at the reading of the Dudgeon family, he will in act one, he displays dies offstage, before we even an impeccable courtesy unmatched by anyone else in the learn how she will get along on family, and he maintains this her annuity of £52 a year.

by B. A. YOUNG

ensemble from Hamburg called new Pithochry Festival Theatre in a 30th birthday gala permakes a punning reference to formance on Tuesday night. The the German phrase Hinz und play was the meaty comic fill-Kunz, meaning "all and sundry").

Hans Werner Henze - and whether that link should be judged their good fortune must be open to argument. They framed their programme with two recent Henze works: to begin with, a spiky, self-consciously decorative little piece of note-spinning for four instruments and percussion called Amicizia; and to finish, El Rey de Harlem for mezzosoprano and ensemble, a laborious and deeply preten-tious half-hour-long confection of a Lorca poem, replete with every stale cliché of Fifties Expressionism in the book. Maureen McNally, in a remarkable labour of love, gave her solo part with fine conviction,

Kuntz played the British premiere of Erotikon by Dimitri Terzakis: a short and grimly unerotic essay for soprano, clarinet, violin and cello in fake antique style. And as a lastminute adjustment, to replace an intended but unfinished premiere of Nigel Osborne, they filled out their programme with an instrumental arrangement of Sati's Sports et divertissements, presented as an accompaniment the composer's original piano score. The texts were never intended to be read aloud: to do so is unavoidably to overemphasise and cheapen their delicate resonance. But at least they were beautifully spoken, by the French actress Marianne Florence—the evening's single,

tion, but not enough by half.

Pitlochry

Storm in a Teacup

by ANTHONY CURTIS

A revival of James Bridie's 1936 London Haymarket success Storm in a Teacup opened the ing in a sandwich that began with a prayer of dedication and ended with a speech by George Younger, Secretary of State for Scotland. Mr. Younger paid tribute to the festival director Kenneth Ireland for his inspired pertinacity in bringing to fulfilment his dream of a beautiful steel and glass theatre complex on the banks of the River Tummel at a cost of £2m. Earlier in the day the new fivemile stretch of the A9, built at a cost of £13m, giving Pitlochry what is effectively a bypass, was opened by the Earl of Mans-

Certainly on Tuesday even ing the new theatre, designed by marquee-like shape of the former semi-permanent building. made a fine setting for a resplendent black-tie occasion. The glass-walled bar and restaurant area, giving sunlit glimpses of the river and mountains, happily accommodated a canacity audience, welcomed by the skirling strains of the Vale of Atholl pipe band. Access to the 450-seat auditorium was smooth either at ground or picture gallery level: sightlines. acoustics and comfort all seemed to be impeccable as one thrust of the stage.

gazed at the elegantly curved Impeccable is not quite the word one would wish to apply

to the construction of Bridie's play. He made it originally out of a German comedy Sturm im Wasserglass by Bruno Frank, and was praised by James Agate for having transposed the key of a German Lowland farce to that of a Highland Fling. As such it was a natural with which to open the new theatre. It unfolds in its leisurely prewar way the tale of how an arrogant local provost (Jonathan Battersby) is exposed by a

and in essence non-musical, ray



Nicholas Coppin and Jonathan Battersby

the confiscation of a mongrel whose chances of getting deg (Sam) belonging to a gar- elected to Parliament the young rulous Irish peasant woman (Anne White) who has somehow fetched up in Scotland and out.
who cannot afford a licence for . The new Pitlochry stage made

provost's wife Beverley Walding had a more difficult task.

higot he is when he insists on and loyalty to the husband little too strait-laced through-

the animal. Bridie sprinkles an easy transition from the ex-laughs and minor parts with a terior to the interior of the generous hand and the cast field sheriff courtroom in the final both nimbly.

Leon Sinden is the hard the section of the set no longer pressed newspaper proprietor and Julia Schofield his boity hitch into the capacious roof toity wife. In the role of the area. This courtroom where the journalist is accused of stealing radical journalist (Nicholas having to show a burgeoning hilarious moments in Charles Coppin) for being the intolerant attraction for the journalist Bell's production.

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Ravenscourt Park, Hammersmith

Happy End by MICHAEL COVENEY

fashion on Tuesday night. The generator outside and got down and Lilian Holiday is a bone dry to the serious business of scrap run for Pierpont Mauler meets ing the mud off their socks. Saint Joan of the Stockyards. Chicago gangsters, thinly dis- What does matter is the score, guised as actors of nudging my favourite after Mahagomny. joviality, winked among the. serried ranks of beer glasses muttering such doleful imprecations as "Have a nice day" or

mind the appalling incomprehensibility of the opening 20

into the trap of schmaltzy selfindulgence with "The Bilbao Song." easily done and perhaps trot with a brush on the snare of Brecht and, I would wager, drum), are plain embarrassing, anotherna to the working glass Don't move, the show's about minutes, which is all dialogue, Anne Miles as the svelte gang audience. Bubble bursts to and patiently ignored the manipulator and Willie Gami- please.

Actually, it doesn't much Joplinesque doodling of the nara as Sam Wurlitzer, who summer season on the greens matter what anyone does with background piano, the heart celebrates the Big Job with a and in the parks of Greater Brecht and Weill's 1929 follow really sank on realising that transvestite cabaret turn, at London started in predictable up to the Threepenny Opera. director Bob Carlton has least supply a little acting The story, of a small-time assembled a cast who may be muscle. But the rest from Bill fashion on Tuesday night. The gangster mob bumping into the all very well when it comes to Cracker in a silly Davy Crockett stage was awash with awful Salvation Army, is like a vague, winking and nudging but who, outfit to a female Baby Face Bubble jolity while customers prophetic shadow of Guys and when it comes to the music, with an unwelcome James of the pounding electricity production between Bill Cracker. The company falls straight around in a senseless vacuum. July prophetic stage was awash with awful Salvation Army, is like a vague, winking and nudging but who, outfit to a female Baby Face 3rd qtr. 2nd qtr. 2n The Bubble respects Brecht only in so far as they offer a fheatre where you can smoke forgivable. But Lilian's two big and drink. The slapdash knees-numbers, "The Sailor's Tango" up ambience mistakenly ny favourite after *Mahagonny*: numbers, "The Sailor's Tango" up ambience, mistakenly So, while I did not much and "Surabaya Johnny" (the assumed to be the Joan Littlelatter destroyed as a slow fox- wood style, is both a betrayal

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Thursday May 21 1981

A new role for Japan

Mr. Reischauer said flatly that Japanese politicians.

flation of events which were really just a part of Japanese factional infighting. But there is its future role should be in the foreign policy and military

Low profile

The very ease with which inroads into the U.S. are a references to nuclear weapons reminder that the U.S. has its or alliances produce angry re-actions highlights the emotive power they carry at a time when Japan is gradually shedding its postwar policy of non-militarisa-

For historical reasons, as Japan's economic might has grown over the past 20 years, its political and defence profile has been kept low. Yet with the passage of time the Japanese public has come to acknowledge that the country should invest more and participate more in its own defence. Opinion polls show that the number supporting the defence commitment implicit in the Mutual Security Pact with the U.S. has almost doubled since 1974.

This change of heart has stemmed from new uncertainties in the global balance of power, especially in the Pacific. he U.S. withdrawal from Vietnam in 1975, the growing might of the Soviet Union, the troubles in Iran, the threat to Japan's oil supply lines from the Middle East, the Soviet invasion of Afghanistan, the Third World countries; the perbuild-up of North Korean forces and last but by no means least present is one of the lowest of the development of Soviet miliary of the industrialised tary strength on the islands democracies. It could co-Japan claims as her own off ordinate policies as well as Hokkaido, have begun to induce a new frame of mind.

In the fresh alignment which emerged during the 1970s. Japan has been urged not only by the U.S; but also by China, ingly uncertain world, it is time fearful of a vacuum in the Paci- Japan returned to full political

THE RECENT visit to the U.S. in further, to play a bigger of the Japanese Prime Minister defence role. Japan's defence has sparked off a political storm spending has risen appreciably in Tokyo. The wording of the in the last decade, and will confinal communique on the talks tinue to do so. Prime Minister caused a row which ended in Suzuki undertook, in his recent the resignation of the Foreign talks with President Reagan, to Minister. This was swiftly foi-improve Japan's defence capabilowed by the publication of an lities on Japanese territory and interview in the Press with a in the surrounding sea and airformer Ambassador to Japan, space, and to alleviate further Mr. Edwin Reischauer, which the financial burden of U.S. escalated the troubles further, forces in Japan, (Currently the two nations pay half each.) U.S. warships armed with Japanese sources point out that nuclear weapons had been visit- at present rates of growth, by ing Japanese ports since 1960, 1990 Japan's military spending provoking a storm among will exceed that of West Ger-

many. This may be an artificial in-action of events which were sally just a part of Japanese governments, beset with inflation, recession and frequently old and inefficient industries, found debate in Japan on what struggle to squeeze out the necessary funds to pay for the ever more expensive weapoury needed for their defence conbe less true of the U.S. than western Europe, but Japanese

> It is not practical to expect an overnight change. The Japanese constitution, which precludes the right to make use force and maintain military might, is unlikely to be altered in this generation of politicians. But there is still a great deal Japan can do in present framework. Spending on defence could be raised above the present tiny percentage of GNP without flouting the constitution or probably even public opinion.

economic problems too.

Global issues

This change should be part of an enhanced Japanese role in the world arena. Tokyo could consult more with the leaders of the western nations, not just on questions of trade OΓ economics (though that should be part of it) but on the whole range of global issues which Japan tends to keep out

It could give more aid to centage of GNP it provides at defence with its western allies.

It could even resurrect pressure for Japan to take a permanent seat in the UN Security Council. In an increas-

Regulating the monopolies

THE CRITICISMS of the ad hoc studies by a nonelectricity supply industry's specialised body such as the performance, contained in yes- Monopolies Commission cannot terday's Monopolies Commission report, add to the weight of evidence that Britain's system for regulating nationalised monopolies is in need of reform. It would be a pity if the public debate which will follow this report were to concentrate solely on the Commission's specific criticisms, and not cover the broader question of how to ensure that the mono-poly nationalised industries perform better in the future than they have in the past.

The most controversial part of the report—and the only one in which the Central Electricity Generating Board's conduct has been found to operate against the public interest—deals with the CEGB's strategy for investing in nuclear power stations. The Commission's charge that "a large programme of nuclear investment is proposed on the basis of investment appraisals which are seriously defective and liable to mislead" may well be seized on by the anti-nuclear lobby as a vindication of their

Relative costs

Yet the Commission does not establish a case against nuclear may have been misleading.

British nuclear power industry. programmes. It has made no attempt to or to compare the CEGB's stance on nuclear power with that of

judged. Useful as the report over-centralised is in other respects, occasional competitive industry.

resolve the most serious prob-lems which arise in nationalised The fact that government

approval is required for most major decisions taken by the from eliminating the need for question of long-term investment planning, the report shows | U.S. embassador in Bonn. that civil servants and ministers have not been as scarching in their assessment of the CEGB's strategy as they might have been. The same story could be repeated about other major public sector investment programmes. Governments have imposed other policies on the CEGB which have been detrimental to consumer interests.

Charges

The CEGB's purchasing policies, towards the coal and the power engineering industries, have resulted in unneces sarily high electricity charges, partly because of pressure from governments not to enter into to buy British equipment whenever possible. Advance ordering power and it would not purport of power stations. In the to be qualified to do so. What interests of the equipment supit argues is that the appraisals pliers, has resulted in large used internally and presented additional costs which have not publicly by the CEGB have not been fully compensated by been sufficiently thorough to governments. Most seriously, justify a nuclear programme, the relationship between the This does not mean that such CEGB and the National Ceal a programme is unjustified, but Board, coupled with the NCB's it does imply that some of the policy of cross subsidisation claims made on behalf of between modern mines and nuclear power by the CEGB inefficient ones, has resulted in a heavy burden for electricity The Commission has based consumers which might more its findings on information rationally have been borne by supplied by the CEGB and the the government's social security

In this as in other nationalestablish the relative costs of ised sectors the existence of nuclear and coal-fired electricity giant monopolies invites poligeneration in other countries tical interference and, among other things, ensures that mistaken investment decisions are extremely damaging in their A weakness of the report is scope. The Government should the absence of international consider changes in structurecomparisons against which the for example, a move towards organisation, staffing and regionalisation—which would methods of the CEGB could be reduce the risks inherent in an

High marks for efficiency. PANDORA'S BOX of POWER STATIONS UNDER CONSTRUCTION unexpected and embarras-

ing surprises has just been delivered to Mrs. Sally Oppenheim, the Minister for Consumer Affairs, in the form of a Monopolies Commission report into the efficiency of the Central Electricity Generating

The commission was asked a year ago to investigate the CEGB — the first full-scale examination of a major nationalised industry under the Government's new Competition

Essentially, the question it had to answer was: just how efficient is the CEGB—the sixth biggest corporate entity in the UK in terms of turnover and capital employed? Is it pursuing a course of conduct against the public interest, notably by excessive costs which raise electricity prices?

There were many in White-hall who forecast some swinge-ing attacks on the monolith, which is far from popular in Government circles.

Events have turned out very differently. By and large, the commission comes to the conclusion that the CEGB is efficiently run. It raises numerous ouibbles—but some of the most important of these are a result Government intervention in the industry, both present and past

Yet against all expectations, it severely criticises the invest-ment appraisal which the Board has used to justify its nuclear expansion strategy and throws strong doubt on the economic justification for more nuclear plant.

Since nuclear strategy is the one area where the CEGB and the present Government have preserved a united front this conclusion is thoroughly embarrassing for both sides.

The nuclear issue apart, how-ever, the CEGB was yesterday understandably cock-a-hoop at the commission's report. " There were nine issues the commis-sion was asked to look at," said Mr. Glyn England, the Board chairman. "I think we've been given eight ticks and some of

However, the report also notes that two of these stations

By Martin Dickson, Energy Correspondent

Costs

Sanction 1972

Completion target

CONVENTIONAL: Ince B

(2 x 500 MW)

CONVENTIONAL: Littlebrook O

(3 x 66 MW)

Nov. 77

Sept. 82

Dec. 81

Dec. 83

£183.2m

NUCLEAR: Dun	geness B	NUCLEAR: He	ysham 1
(2 x 600 M	W)_	(2 x 660 M	W)
Completion target		Completion target	
Original .	June 71	Original	Sept.
Current	April 82	Current	Dec.
Costs	· · · · · · ·	Costs	
Sanction (1965)	£88.5m	Senction (1969)	£142.3
Estimated (1980)	£460m	Estimated (1980)	£450.8
NUCLEAR: Hai	rtiepool	CONVENTIONA	
(2 x 660 M	W)	(5 x 660 M	
Completion target		Completies toward	

Oct. 74

March 83

£91.8m

£455.1m

Original

Current

Sanction (1970)

them are bloody big ones-unqualified totally.

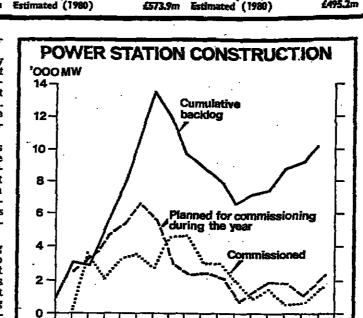
Estimated (1980)

The CEGB gets a generally clean bill of health for its cost control and its operationa planning-making the most efficient use of the plants at its disposal. Power stations are said to be well managed and labour relations relatively good.

However, the commission has far less euphoric view of three major issues - the board's forward planning and investment other big nationalised indus-tries; and the record of its power station construction pro-

 Planning. When deciding how many power stations to build, the CEGB has to forecast demand several years The report notes that in the past its forecasting record has been "seriously inaccurate" and that this has encouraged the unnecessary or premature ordering of new

With perfect foresight the CEGB would not have had to order three major power stations in the 1970s -- Isle of Grain, Ince B and Drax B with a combined 1980 cost of



'70

Ince and Drax B - were ordered before the CEGB wanted them on government instructions to help preserve jobs in the power engineering industry. While government had compensated the board for this. the sums were inadequate.

'65

1963

The report concludes that the

CEGB's planning processes are "sound." But its invest-DOM , ment appraisal results (discussed in the article below) are severely attacked. • Relations with nationalised

industries. Fuel represents some 60 per cent of the CEGB's

per cent of that total. Relations between the CEGB and the National Coal Board, which provides over 90 per cent of its coal, and British Rail, which transports most of it, are therefore crucial to any efficiency

CONVENTIONAL: Dinorwic

(6 x 300 MW)

CONVENTIONAL: Drax

(3 x 660 MW)

Sanction (1973)

Sanctions (1978)

Original

The CEGB has an "understanding" with the NGB that it will buy at least 75m tonnes of NCB coal a year provided the National Coal Board does not raise its prices by more than the retail price index. It also has an agreement with British Rail on transport under which CEGB coal must be transported by rail rather than road where pit to power station rail links exist.

Perhaps surprisingly, given the monopoly nature of both the NCB and the CEGB, the commission does not condemn the coal understanding. It welcomes it as a "recognition of mutual dependence" which may improve planning. But it says he agreement does have objectionable features." For one thing, it envisages

coal prices being raised by reference to an index rather than being related to changes in the costs of the supplying industry or long-run marginal cost. The CEGB, it says, should

but improve the terms. However, the clause in the British Rail agreement, which restricts transport competition should be abandoned. The relationship between the CEGR and British Nuclear Fuels for the supply of enriched uranium is also questioned, being one of

monopoly supplier and purchaser. Most embarrassingly for the Government, the commission adds that the CEGB could have improved its costs in recent years if it had imported more

Yet only last February, when faced with a threatened miners' strike, the Government reversed its coal free trade principles and suddenly said imports should be cut to the "irreducible

● Pewer: station construction, In the light of the appalling delays (see chart) which have dogged Britain's power station construction programme, the commission's findings seem remarkably favourable to the CEGB and its construction division, based at Barnwood

Gloucestershire. It notes that the five conventional stations under construction will have average delays before commissioning of 2.3 years and cost over-runs of 19 per cent in real terms. For the three nuclear stations the figures are 8.5 years and 100 per

The delays many of them common to large sites generally been exhaustively analysed in past reports. Rather than go over this ground again, the Commission concentrates on the CEGB's efforts to overcome the problems.

Perhaps most surprising of all, the commission summarily dismisses many of the complaints raised about Barnwood by power plant manufacturers. It has been accused in the past of over-specification, excessive high quality standards and having too large a staff.

However, says the commission, its exacting standards are justified, its haggling over costs means valuable savings and its work load has been increasing.

but few for its nuclear strategy

IT HAS been a miserable week for the nuclear power industry.

On Tuesday, Mr. Denis Rooney resigned as head of the National Nuclear Corporation—the body which the Government revamped last year to be the driving force behind the UK's nuclear construction programme. Mr. Rooney had been in the job for only a year, and it will not be easy for the Government to

Yesterday there was a further shock when the Monopolies Commission, reporting on the efficiency of the Central Electricity Generating Board, east strong doubts on the economic justification for the CEGB's strategy of nuclear power station expan-

sion.
"A large programme of investment in nuclear power

stations, which would greatly increase the capital employed for a given level of output, is proposed on the basis of investment appraisals which are seriously defective and liable to mislead," the commission said. The sentence — and the

arguments that lie behind ithave given the British antinuclear lobby the most powerful propaganda boost it has received in a long time as it strategy outlined by the Government in December,

That strategy involves the immediate construction of two new advanced gas cooled reactor (AGR) stations one at Heysham in Lancashire and the other at Torness in Scotland. The next step will be the building of the UK's first pressurised water

Sizewell on the Essex coast. The PWR is seen as the first in a series of up to 15,000 MW of new nuclear capacity that might be needed up to the early 1990s,

The Monopolies Commission report insists on calling this step-by-step strategy a , brogramme " — a mistake which was also made in a critical report nuclear policy Commons Select Committee on Energy.

Yet that does not detract from the main thrust of the commission's criticism—that the investment appraisal carried out by the CEGB is inadequate to support its contention that new nuclear power stations can be justified on the grounds that they will reduce generating costs.

In deciding what type of plant to acquire, coal or nuclear, the CEGB analyses Net Effective Cost (NEC) of each - the net present cost adjusted to a common basis allowing for stations differing c expected life. capacity

Published NEC figures show nuclear with a big advantage over coal. In most cases they are shown to have a negative NEC, which means these stations are worth building on economic grounds alone, for their saving in fuel and operating costs outwelghs all construction and other costs. question the NEC's drawn up

The Commisison calls into by the CEGB. While not disputing the methodology, it argues that some of the board's basic assumptions are dublous and that its "sensi-tivity analysis" - exploring

plastic sheathing in order that construction might continue

"Whereas the plastic cover

has now been removed, reveal-ing, as feared, a building whose banality is exceeded only by its

"Whereas even in a demo-

cracy there are things it is well

the people do not know about

their government:
"There be it resolved that it

studied untidy or casual dress

finance ministers seeking the

of the city by night.
At the Gabonese capital's

palatial conference centre, which

sporting a jaunty cravat, while another was reliably understood

to be bringing his cardigan with

simple and bracing pleasures "

during the winter months:

And "

—is seriously incomplete. Its erificisms include:

other forecasts. Its belief that the additional imports it will need will be 40 per cent more expensive than UK coal is highly implausible." • The board allows the same percentage construction cost escalation for both nuclear and coal. This is " unsound " for it is at the top of its learning curve for coal-fired construction but not nuclear. performance of coal plant are eautious." These for nuclear

The impression left—though never stated explicity—is that the CEGB may have been mis-

leading both itself and the public about the real costs of nuclear power relative to

does not come down firmly on one side or the other, essentially saying that the board needs to do more to prove its cases.

the Government-it does say it is "seriously concerned that the strategic case for the new Heysham AGR (giving work to UK plant manufacturers) may have been "unjustifiably reinforced by the supposed economic merits of the project."

Bonn chance for Burns

nationalised industries, far Helmut Schmidt obviously needs a bit of a lift these days and outside regulation, makes this it is clear that Ronald Reagan more imperative. On the has given him one by naming Arthur Burns to be the next

> had allowed the Bonn job to stay unfilled all year. They were heirs, film stars, used car dealers and general political hacks to replace Walter Stoessel, the previous ambassador, whom the Germans liked.

Ецгоре.

then the nod might have gone to Arthur Hartman, the senior foreign service officer currently overseas at the Paris post (who, given Mitterrand's elec-Moscow or, possibly, retiring to join a New York bank), or George Vest, the State Department's European chief under Carter (who now is in line for the EEC) or Paul Nitze, the defence expert. All have eminent reputations.

Despite his age and lack of

excessive economic stimulation

Institute, and whom he has continued to serve as emeritus

The Germans had been miffed. and quite rightly, that Reagan also a mite disturbed that the American President might reach into his grab-bag of corporate

In fact, Bonn need not have worried. The nomination of Burns, the ancient (77 year old), crusty, independent. German-speaking and Austrian-born symbol of righteous monetary policy merely confirms the importance which Washington contracts for coal imports and attaches to the German connection. Especially given the changed political climate in

> If it had not been Burns, tion, may now stay on for a while before moving on to

formal diplomatic experience Burns's qualifications are not in doubt. He knows Schmidt and much of the rest of the German political hierarchy well from the long days of 1977, when Burns, as Fed chairman, and Schmidt invelghed from

It also helps that Burns is on excellent terms with Reagan. whose electoral economic policies he helped draft last year from his current vantage point at the American Enterprise

Given his penchant for lec-turing, it would not be surprising if Burns had a word of advice on economic policy to offer Schmidt as well.

Wrong-headed A diligent reading of American

newspapers reveals some fine examples of the headline-writer's art — like this recent

"Shuttle passes test — one worker killed." "Defendant's speech ends in long sentence." White House kills fundraiser after complaints about

Which is not to overlook this racy since of life from a crime report: "Police said they had to bring him to the ground twice before they confiscated a pistol from a pants leg. 'I would describe it as hairy,' said Sergeant Lou Daliso, who with officer Tom Green wrestled the

In logo parentis

Looking like the red, white and blue markings on the tail of a Britsh Airways jet, the National Enterprise Board's new logo suggests at first glance the passing influence of Sir John King, the BA chairman who briefly headed the NEB last winter.

Not so, I discover, It is the work of Manchster-based designer. Norman Wilson, brought in by Sir Freddie Wood, latest in the NEB's long list of chairmen. Wherever Wood goes, it seems, Wilson is never far different shores of the Atlantic behind with an identifying against Carter's policies of stamp. He has done design work "benign neglect" for the for Wood's main company, "benign neglect" for the for Wood's main company, the frame of the new Senate dollar and what both saw as Croda, for 20 years and put the office building was covered with



"In the interest of greater efficiency would you see that this goes into the furnace of one of our generators."

tri-coloured seal on National Bus when Wood welded that organisation together in the 1970s. His new logo will also figure on new letterheads today for the National Research Develop-ment Corporation which Wood is rapidly binding with the NEB into a British Technology Corporation. What logos join together, can anyone in future

New York's Democratic Senator Daniel Patrick Moynihan has an endearing habit of quoting the Financial Times in his speeches, and thereby immortalising it in the Congressional Record, the

of Hansard.
The least we can do in return is to cite the following stirring resolution which Moynihan introduced into the U.S. Senate earlier this week:

"Be it resolution to the U.S. Senate of the unit of the U.S. Senate of the unit of the U.S. Senate of the unit of th "Be it resolved "Whereas in the Fall of 1980

even slovenliness, are indispens-able " for central bankers and

rises up out of the steamy land-scape like a space station from "Star Wars," some participants in the preparatory gatherings yesterday had taken the hint for the daytime as well. Although sober, occasionally tropical, suits predominated among the delegates teeming around the centre's footballpitch-sized debating chamber, one Bank of England official was

Cover up

him in order to withstand the flerce air conditioning. The prize for equatorial elegance went to the three-man team of senior officials from the

> in suits later on. Observer

• The board's estimates of likely UK coal availability in the year 2000—55m tonnes—

are out of line with most

power are "perhaps more

However, the Commission

Yet — embarrassingly for

The Government will argue on strategic grounds: that nuclear power and coal are complementary needs if the UK is to reduce its dependence on oil—the number one energy priority.

SUN ALLIANCE INSURANCE GROUP

ANNUAL GENERAL MEETING

The Annual General Meeting of Sun Alliance and London Insurance Limited was held yesterday at the Head Office of the Company in Bartholomew Lane, London, EC2.

Lord Aldington, The Chairman, presided and in addressing the Meeting stated:

"It is my practice at the Annual General. Meeting to give an indication of our experience since reporting our annual results, even though one quarter's experience can be little guide to the full year's results.

"At Home favourable weather conditions helped our underwriting for the first quarter, and Home results were materially better than a year ago. In most overseas territories, notably in Australia and Canada, underwriting continued to reflect the unstable market conditions to which I referred in my statement; and overall experience overseas was worse than a year ago.

"Investment income for the first quarter showed satisfactory growth."

A Vote of Thanks to the Directors and Staff was proposed by Mr. Ronnie Taylor.

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200

ticism of the British Govern- in-the sky. nt is that it has been too strictive, that it has persisted a policy of spending and netary cuts in the face of a

There is, however, an oppoe school, or set of schools, of ities, which maintain that so r from being too tough, the licy has not been tough The stance of these best described as Reaganite" although there are . enty of such critics to be on this side of the

It goes roughly as follows. far from having cut public ending, the Government has creased it. So far from introincentives, the tax irden has been ate sector. Even the control the money supply has been an aspiration than a ality; and there is nothing to that the recent duction in inflation is not just temporary trough. The public ector is as large as ever and hatever squeeze there has een, has been borne by private

Mrs. Thatcher sometimes gives ie impression of agreeing with ese criticisms of her pvernment. But as direct telehone calls to the Prime linister should be few and well cosen, I think it would be more seful to dissect the criticisms a ttle further here.

Some people even try to run reether both the Reaganite and ne Keynesian criticisms of the iovernment, and imply that if leaganite methods had been sed—that is if spending and axes had been cut-inflation ould have been squeezed out f the economy without any of

money into the private sector. The PSBR is simply the margin between expenditure and revenue. It can be a margin around a low, high or medium level of public expenditure. But in principle, and in

practice, high spending, welfare stable prices. Economists who have tried to find a historical (as distinct from borrowing) and inflation have not been very

But even if it is not strictly part of the anti-inflation strategy, is not a curb on public spending necessary to revitalise the economy? Very great care is needed here.
The UK is in the middle

the range for public he spending, with slightly less than France or West Germany, much less than Scandinavia, but more than the U.S. or Japan.

The historical trend is more

revealing. It is clear from the charts that the public spending ratio started on an upward climb in the middle of the 1960s, which became particularly steep in the early 1970s. The ratio rose to a peak of 461 per cent in 1974-76 since when it has fallen and risen again.

Public spending rose, after allowing for inflation by nearly 4 per cent in 1980-81. The main items, were local authority spending, loans to nationalised he pain we have actually had. industries, defence, social nearly 2 per cent next year and But whatever one may think. As events in the U.S. are security and special employment 3 per cent the year after, allow- of total public spending and its

excess is clearly related to the As far as the UK is con-recession, even though it is not cerned, the Reaganife critics strictly tied to it in the way that

run together far too many unemployment payments are. .

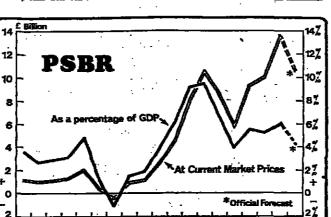
Issues. There is here a clear parallel In common-sense trems carh- with 1974-76, which underlines ing inflation requires both a the need to look at a broad limit on the Public Sector Bor-sweep of years. The worrying rowing Requirement (PSBR) factor is not that the governand policies to ensure that the ment has baled out firms or banking assets. banking system neither finances spent more on subsidies and the PSBR nor injects too much make-work measures in reces-

The reason for worrying is that instead of recognising that industrial support is social expenditure by another name. the Government, like its predecessors, has tried to persuade practice, high spending, welfare itself that it is inaugurating or military states can have fundamental reforms which will put BL. British Steel and all the other lame ducks back on tere has been very little link between public spending their feet—not to speak of ICL duction in the size of the (as distinct from borrowing) This is aggravated by the This is aggravated by the tendency of British politicians and civil servants to think in terms of men tather than measures: "Who will sort out

firm X or situation Y?" It is a rare individual who. being chosen for this role, will want to wind up or open to competition the empire which has been given. The more political prestige has been placed on the choice of a particular individual, the more he has the Government in his pocket. In some ways it is better to have nationalised industry chairmen like Sir Charles Villiers, the former chairman of British Steel, whom the Government inherited from its predecessor and for whom did not pretend to have special affection. This at least pushes back the responsibility

for policy to Government. If the last public spending White Paper is to be believed, public spending will fall by nearly 1 per cent this fiscal year,

Source - HM Treasury & FT State Public Expenditure as a percentage of GDP



ing for inflation. As some real growth is forecast the implica-tion is that the public spending ratio will fall back towards 40

My own interpretation of the request for new "cuts" is that these will be necessary simply to offset the normal tendency of spending to grow faster than

Governments.

composition, the Government has shown considerable courage in making sure that more of it is financed from tax. This is sometimes obscured by the habit of stating the PSBR in cash terms, which is misleading over a period when the value of money has been shrinking. As the larger chart shows, the PSBR has fallen from nearly 10 per cent of the GDP in the

should go further.
This is not bad going for a recession period. It has involved, according to plausible calculations by the Oxford economist, Walter Eltis, a rise in tax revenue (including national insurance contributions) from 38 per cent of the GDP in 1978-79 to an estimated

43 per cent in 1981-82. But be-fore shedding too many tears about this, it is worth looking at the table which shows that people's real income after tax and inflation has been growing very rapidly indeed in the last few years—faster in fact than in the Macmillan "never had it so good" period.

That is why so many of the more hysterical articles about

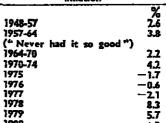
the supposed state of depression ring an altogether false What has happened is that the majority who remain in work have priced out of jobs a growing number of unemployed Indeed Government economic projections assume that for the next year or two incomes will rise less than output, to help rebuild profit margins and create conditions for a restoration of employment. As the table shows this is not a utopian hope. as something very similar happened under Mr. Healey in 1975-77. Indeed the rise in unemployment was then temporarily reversed. But the achievements were blown by an excessive reliance on pay policy and a mishandling of the re-entry to in recoveries, set interest rates collective bargaining by both too low, and thus stimulate a and present

The most valid criticism that Reaganite critics can make is 12 per cent, judging by giltedged yields.

Index appears, we should wealth—while an interesting remember Terry Burns's First piece of research—does not in

DISPOSABLE INCOME

Average annual change in real personal disposable meaning allowing for tax, benefits and



Source : CSO

Law of Inflation. This states that any six months period. which includes March and April. gives an annualised rate of inflation 2 to 21 per cent above its true levels; a period which excludes these months gives a rate 2 to 21 per cent below the true rate. Thus a 15 per cent true rate. Thus a 15 per cent annualised rate next Friday would imply a true rate of about 12 per cent.

evidence of a sustained reduction in monetary growth since 1977-without which the present discretionary rise in interest dip in inflation could prove as rates. There is, however, just Professor Allan Maltzer fears that central banks under- rate fluctuation that arose in estimate the demand for credit in recoveries, set interest rates monetary explosion. The City University's Bank-

ing Centre is worried by the lack of firm plans to claw back that market expectations of last year's large overshoot in inflation remain so high—over the official Sterling M3 target. I am afraid that the Treasury's 26-term equation relating money When Friday's Retail Price and prices to private sector wealth-while an interesting

the least convince me that base drift " can be safely neglected.

There is surely common ground, however, in Meltzer's assertion that anticipated inflation will not be reduced "until there is evidence that central policy will continue to reduce the growth of money during the next expansion." The test may come at any time in 1982, or even later this year. The argument for a "monetary base" type of control is in my view the political one that it would reduce the chances of this mistake being made.

A monetary base control is indeed being considered which would include notes and coins as well as banker's deposits would be non-mandatory and the target would be set for six months to a year. The odds are somewhat against its being adopted

Unfortunately, there is no chance whatever that the Bank of England, if left to its beloved discretion, will get interest rates other than hopelessly wrong. Nor would I expect this or The real worry is the lack of any other Prime Minister to take upon herself charge of "aborting recovery." by ordering a chance that she would not interfere in the face of interest the market as a by-product of

following a monetary rule. "Down with base drift." down with Bank of England discretion." and "down with passing the buck to someone should be the slogans those who want the antiinflationary strategy to succeed. whether they are Reaganites, Thatcherites, Social Democrats, or just plain human beings.

Samuel Brittan

Letters to the Editor

bout the strength of sterling, hat oil companies in the UK

all in the value of sterling. The truth is that the the price tag out upon our ments in comparison currency by foreigners (aided individuals since exchange controls went away). There is no such thing as a for sterling and I have little confidence in those who seek to Bank massage the rate this way or

in relation to some of the banaceas offered. Mr. Roy Jen- oil asset. sins for instance, in addition to calling for curbs on capital have, I think, drawn the wrong nflows, made an extraordinary reference to "talking down" the rate. Anyone close to the rate of exchange can be brought 1967 devaluation of sterling down by slowing down North knows that a weak currency can be talked down but to try to talk down a strong currency is likely surely possession of the oil

into the wind.

excessive net inflows we would wish to check and certainly not industry

by resident institutions and generate additional exports up to 6 per cent of GDP to pay for the increased cost of their oil 'correct" rate imports, whereas we are more than self-sufficient. Even the of England's tradeweighted index, which presumably reflects oil sales, is appa-Scepticism is indeed justified rently not weighted for the UK's actual

The Liberals grasp this but ment is that, if all else fails, the

No correct rate for sterling

Sir.—It is ironic, when almost weryone is still complaining direct investment in re raising domestic prices hrough losses due to the recent

powers in the Finance Bill to restrict borrowing from nontion of sterling bills by non- up any remaining shortfall with residents, and to require additional exports. deposits with the Bank of Eng-land at nil or negative interest economy, traders will have to moment, since high U.S. interest Leonard A. Jackson. rates appear to have attracted Caritas. outflows. Incidentally, one Heathside Lane, notable problem in applying Hindhead, such measures is that it is only Surrey.

that it is the oil component in authority needs to borrow the equation which keeps sterling relatively high and so weakens, e.g. the D-mark and exchange rate is a market rate the German balance of pay-Our trading partners have to Bill.

conclusions. The Liberal argu-Sea oil production. I think this wrong on two counts: it is to be as efficaceous as spitting asset, not the rate of its use, The Government is nearer the and reducing production (but mark with the proposed reserve not, presumably, costs in proportion) means that we should first sacrifice our exportable residents, to limit the acquisi- surplus and then have to make

rates in respect of increases in accept a comparatively high the sterling balances of non-rate of exchange for sterling residents. Yet such measures while the oil lasts. In this have not worked very well in matter. I believe the foreign other countries after an initial exchange market to be a more period. Of course, such steps reliable guide than academics are not necessary at the or politicians.

Most theorists seem to forget

which keeps sterling buoyant;

Machismo in the say that union head offices do have something at stake — the boardrooms

Sir,-There are 28 people rom Nottingham who have iceper scars Christopher than Pole-Carew (Management Page, May 11).
They are the 28 NUJ journalists

— referred to in the article

acked by Mr. Pole-Carew for ournalists' strike against the newspaper workers. We also lewspaper Society (of which he Nottingham Evening Post should be strictly related to aking part in the provincial vas at the time a member). hose 28 and many other ournalists will find Mr. Fazey's

From the National Organiser.

ulogy for Nottingham as flensive as I did. It would have been a little Noel Howell. airer had the FT explained Acorn House. hat Mr. Fazey was, until rela- 314-320. Gray's Inn Road, WC1. ively recently, general manager I the Liverpool Daily Post and icho. As ex-newspaper managenent, it's not surprising that he hould equate new technology with taking on the trade unions. tut he must know that in proincial newpapers technological ne co-operation of the unions

or many years. nion head offices, will swallow Il the harder however over the roposed next step (direct iput) when they see it regarded such blatant management ersus union terms. As a trade nion official closely involved in ic Wolverhampton agreement ferred to in the article I would of a

future of the industry in which our members work. That's far too important a matter to leave newspaper managements entirely in the hands of computer salesmen or to allow them to plunge the industry into the chaos a "bash the NGA" campaign would produce.

The NUJ believes that lasting technological progress can only be achieved through agreements involving all the relevant unions and for closer links between should be strictly related to producing better newspapers and not used to satisfy any longings for industrial machismo that may be lurking in the

Acorn House.

Lender of last

resort

hauge has been going on— Sir.—I was interested to read radually but continually—with Robin Pauley's article (May 19) in which he suggested that City clear, viz "if at any time any our motor vehicle insurance or or many years.

Union members, as well as increasingly nervous about the or interest on any security British possibility that a Scottish local created by a local authority reauthority might default as a main unpaid for a period of 2 this sort of bureaucratic tangle, result of powers that will be months after a demand in writ- available to the Secretary of ing, the person entitled thereto simple, more sensible place for Scottish Local Authority Bill the Court of Sessions for the Richard Carswell. becomes law. It is important to appointment of a judicial CSM European Consitants, distinguish between the danger factor..." In essence, this is Eagle House, State for Scotland when the new "default on loan repay- the equivalent of the legislation 109 Jermyn Street, SW1.

refers and a default on an repayments are concerned, every an extremely powerful one local authority in the United Kingdom has recourse to the Public Works Loan Board as lender of last resort "if a local immediately and cannot raise the money from other sources," and this safety-net (in practice almost never used) is entirely

unaffected by the new Scottish So far as interest payments are concerned, they are one of the three principal components local authority revenue ٥f spending (the other two being wages and salaries and running grants, rate income and other receive appropriate interest on income. The elected member of any sum outstanding. a local authority will think very deeply about ways of increasing other income or ways of decreasing staff and running costs before committing political suicide by defaulting on interest suicide by defaulting on interest ties, be they Tory, Labour or payments, because such a default Independent. This outcome has (in Scotland) would lead to all the hallmarks of the scare-enforcement of Schedule 3. story over the New York default para. 20 of the Local Govern-ment (Scotland) Act 1975 which

provides for the appointment of a receiver with very wide powers who would in effect step into the shoes of the local authority and carry out just are as secure an investment as these policies which the any south of the border, and it authority had chosen not to is to be hoped that the immediimplement. At the very worst ate scare will abate and that (which has never happened, reason will return to because the available powers markets. have never needed to be exercised either in Scotland or in England and Wales) a lender might be out of his interest for a short period while the receivership procedure came into effect, but the politicians would be in much worse case

and would have achieved no more than a short delay after the Government's policies were carried out. The power to levy a supplementary rate gives local authorities in England and Wales no more than marginal extra elbow-room.

Lee House, London Wall, EC2

Most unlikely defaulters

From Mr. K. Elford.
Sir,—It was with some concern that I read the article (May 19) on possible loan defaults by Scottish local authorities. Until the publication of the article years. tion of the article we, as a company, had no evidence whatever of institutions becoming increasingly nervous" about possible defaults.

The security of funds bor-rowed within the consent of government is unaltered. The position of the PWLB as lender of last resort is unchanged, and without exception local authorities - on either side of the border—will continue to have access to those funds to meet their liabilities.

While there is no dispute as to the provisions of the Bill though it does seem unfair to single out Lothian Regional Council as the likeliest defaulters - the Local Government 'event requiring the completion (Scotland) Act 1975, Schedule of three different forms just for 3, Paragraph 20, is perfectly the sake of our health, let alone becoming sums due by way of principal our business. Why not use the ... may present a petition to its citizens?

ments" to which Robin Pauley applicable to England and Wales. The position of a judicial interest payment. So far as loan factor in the law of Scotland is he is an officer of the Court of Sessions, and would assume all powers necessary to fulfil the obligations of the authority. In the unlikely event of

Scottish Council defaulting on a payment of principal or interest, it is clear that there would be some initial delay owing to the 2 months rule: there is, however, no specific provision in the legislation as to payment of interest on the sum outstanding for the delay period: money market practice. though, would tend to indicate that the lender would not which are financed by suffer any loss, but would

The pernicious outcom the implication read into the article is the almost complete bar by a number of institutions on lending to Scottish authoristory over the New York default being repeated in the UK, and scarcely does credit to the authoritative columns of your

The legislation makes it plain that Scottish local authorities

Ken Elford (Local Director) Kirkland-Whittaker (Sterling Brokers). 179 West George Street,

Have a good holiday

From Mr. R. Carswell Sir,—The London Office of the EEC Commission has thought-fully issued notes for holiday-makers on the medical care available in other countries of the European Community. The notes say that "holidays can be marred by sudden illness or accident abroad, so it is best to be prepared. There are reciprocal arrangements for medical care in all Community medical care in countries provided certain elementary rules are followed."

these "ele-But what are these "elementary rules"? The notes tell us that "to avoid trouble [we should] apply for a certificate of entitlement to treatment (Form E.111 or 111 for West Germany) before going away. The form is not needed for visits to Ireland, Denmark or Gibraltar, but as certain procedures are necessary to receive treatment, it is worth taking (DHSS leaflet) SA 30 with you for guidance. Form E.111 (and 111) is obtained by filling in form CM1 (found at the back it to the local social security office well in advance of the

We will always remain the most insular member of the Community while we treat the British presidency of the Council of Ministers to cut out

GENERAL

UK: Sir Terence Beckett, Confederation of British Industry

mid-1970s to 6 per cent last

Wales conference: Cardiff. Ford unions and management discuss disciplinary code dispute. The Queen and Prince Philip visit South Woodham Ferrers New Town, Essex.

Prince Charles opens Cotswold District Council's new offices, London Chamber of Commerce conference "Focus on

Netherlands." Royal Westminster Exhibition opens (1,000 years of history), 12. Great George Street, SW1 (to August 31).

Today's Events

opens on sanctions against South on animal welfare in poultry,

Devon County Show opens, Africa Paris (to May 27).

Exeter (to May 23).

World Health Organisation national annual assembly opens, rand inauguration as President Geneva.

of France International Monetary Fund International Monetary Fund House of Commons: Debate on interim committee meets, Librethe BBC licence and agreement ville.

German Chancellor, meets standards President Ronald Reagan and pollution. Mr. Alexander Haig, U.S. Secretary of State, Washington. United Nations and Organisa-

PARLIAMENTARY BUSINESS

Herr Helmut Schmidt, West on EEC documents on shipping meets standards and prevention of

House of Lords (at 11 am): Criminal Attempts Bild, committee stage. Select Committee: Agriculture, tion of African Unity conference

Council (Room 16, 11 am). OFFICIAL STATISTICS Department of Industry pub-

pig and veal call production.

Witnesses: Farm Animal Welfare

lishes first quarter provisional figures for capital expenditure by the manufacturing, distributive and service industries: and for manufacturers' and distributors' stocks. First quarter second preliminary estimate of consumers' expenditure. First quarter public sector borrowing requirement and details of local authority borrowing. Cyclical indicators for the UK economy for April

COMPANY MEETINGS

Who is the largest supporter of cancer research?

The Cancer Research Campaign is the leading supporter of research into all forms of cancer, including leukaemia, throughout the United Kingdom. The work we fund with the money you give covers the whole spectrum of research into cancer—its causes, diagnosis, nature and treatment. It is carried out in universities, research institutes and medical schools—in the wards as well as in laboratories. We give both long-term and short-term research support—we fund life fellows, we endow university departments. From prevention to cure, the Campaign is concerned with every aspect of the cancer problem.

cancer problem.
This year the Campaign will spend nearly £15 million on over 500 projects in 89 different centres.

Not only is the Campaign the leading supporter of cancer research in the UK, it also has one of the lowest expense-to-income Cancer Research ratios of any charity. So a contribution to the Campaign is really worthwhile, because more of your money goes on research.

Please help us to win the fight against cancer

LEADING THE FIGHT AGAINST CANCER CANCER RESEARCH CAMPAIGN, 2 CARLTON HOUSE TERRACE, LONDON SWIY SAR. TEL: 01-500 8972. (for our local offices see under Cancer Research Campaign

in your local telephone directory).

M & S picks up in the second half

WITH second half pre-tax profits improving by £16.01m to £112.28m, Marks and Spencer has recovered the ground lost at halfway, and finished the year to March 31, 1981 with a result £7.54m higher at £181.19m. On a CCA basis this is reduced to a condensation of the sales taxes, improved the condensation of the sharing and other sales taxes, improved the condensation of the sharing and other sales taxes, improved the condensation to staff profit sharing and other sales taxes, improved the condensation to staff profit sharing and other sales taxes, improved the condensation to staff profit sharing and other sales taxes, improved the condensation to staff profit sharing and other sales taxes, improved the condensation to staff profit sharing and other sales taxes, improved the condensation to staff profit sharing and canada £1.25m (£1.25m). It was struck after interest of £15.84m (£12m). improving by £16.01m to about 500,000 square feet of £112.28m, Marks and Spencer has selling space to its existing sales halfway, and finished the year 15m customers shop at Marks 27.54m higher at £181.19m. On a CCA basis this is reduced to and other sales taxes, improved £171.99m

Historic earnings per 25p share are shown to have risen from 7.21p to 7.62p and the net total dividend is stepped up from 3.4p to 3.8p, with a final payment of 2.3p.

scribed the dividend increase as and £5.11m (£5.03m) respecthe future. He said that current side the group amounted to sales were encouraging. £22.26m (£26.29m). The sales

sales were encouraging. £22.26m (£26.29m). The sales Marks plans to spend £300m on total included UK exports of property and equipment in the £47.64m (£46.72m). next four years, including new stores in Redditch, Bexleyheath, Stratford-upon-Avon,

12.3 per cent from £1.67bn to £1.87bn for the 12 months. Of these, UK clothing and merchancontributed (£1.02bn) and foods £617.72m (£521m). Corresponding figures for Europe and Canada were Lord Sieff, chairman and £27.31m (£24.25m) and £6.07m joint-managing director de (£4.2m) and £73.02m (£64.64m) an indication of confidence in tively. Direct export sales out-

> Trading profits rose by 7.5 per cent from £184.4m to £198.14m. Enfield. The pre-tax figure comprised: fore reflect the performance of have held up in the areas hit

receivable of £17.94m (£16.18m) and a £3.21m (£3.53m) profit on

the sale of fixed assets. Tax took £80.61m (£79.27m) and minority profits £1.05m (£519,000). This left the attributable balance 6 per cent ahead from £93.86m to £99.53m, and the retained profit up from £49.53m to £49.87m, after the dividend cost of £49.66m (£44.33m).

The results of overseas subsidiaries have been consolidated using exchange rates ruling at the end of each year. A comparison of the sterling figures against last year does not there-

local currency terms, the increase in European store sales were 34.7 per cent and profits rose by 9.2 per cent. In Canada the sales increase was 15.8 per cent and profits finished 107.2 per cent higher.

The Canadian, result was achieved by rationalising group operations and closing down about 20 of the 58 stores owned. The European profit figure is arrived at after deducting preopening expenses and warehouse relocation costs amounting to (£373.000). £253.000 Canadian profit takes account of store closure costs of £454,000

Lord Sieff said the results had been achieved in an unfavourable trading period, with high unemployment and other calls on customer spending. Marks' sales

these businesses. Expressed in by the recession and it has been the stores in London and on the south east coast that have showed a decrease in trading. Results were slightly better than the retail industry had

expected. They reflect the success the company had in boosting volume sales by cutting prices last autumn. Food sales rose by 11 per cent

in volume, while those of clothing, the mainstay of the group, increased by 7.5 per cent. Marks has been 14 to 15 per cent of the UK clothing market and says it is the fourth largest food retailer.

Price increases were below those for the sector as a whole. Clothes prices went up by 2 per cent and food prices by 4 per The company predicts price rises this year will be modest

See Lex, Back Page



Lord Sieff, Marks and Spencer chairman, and Sir Derek Rayner, director, answering questions at yesterday's Press conference to announce the results for 1980-81.

London offshoot of Royston group faces liquidation

THE LONDON subsidiary of Mr. both of whom are currently Ronnie Royston's international abroad. group, Apparel Computer Ser- Mr. Brinsley Douglas, of vices NV. based in the Dutch accountants Casson Beckman, will go into voluntary liquidation by Mr. Royston on May 8 to preshortly with an estimated deficit of between \$100,000 and \$200,000 of between £100,000 and £200,000

Mr. Royston hit the headlines four years ago when he sold his stake in a small engineering company. Weyburn Engineering, to U.S. company Carborundrum at an estimated personal gain of

Speaking from his home on Long Island yesterday Mr. Royston said he was confident that Apparel Computer Services Ltd. in London could pay its debts including a bank loan to he company's bankers, Midland Bank, which he described as "not

Talks are said to be under way with a private individual to inject capital into the group, which has offices in Atlanta and Dallas, and has associated companies in Switzerland, Italy. South Africa national). and Sweden. "We are right at the end of discussions. An

ACS offered computerised two of its employees and the marking and pattern making ser- £700.80p bill has not been paid. vices to clothing manufacturers. Last autumn, Kuhn Loeb including a supplier of Marks Lehmann, the U.S. investment and Spencer. The share capital bank, was approached to provide of ACS Ltd, the London subsidiary, is £30,000 of which £2 has been issued. Apart from Mr. had rejected the proposal from Royston, its directors include a Mr. Royston to invest money in Mr. G. Cooper and Mr. J. Cooper, ACS.

ACS Ltd. with a view to it going into voluntary liquidation. He said the staff had been made redundant, while Mr. Royston had returned to New York.

ACS Ltd. had been using a number of computers supplied by Hughes Aircraft Company, founded by the late milionaire recluse Mr. Howard Hughes, and paid for on an instalment basis over several years. It is not clear whether the ownership of the computers rests with ACS Ltd. or Hughes Aircraft. H it transpires that ACS Ltd. does not own these computers, thep its sole as sets are fintures and

fittings. Among ACS Ltd's creditors is the Midland Bank which is owed agency, Travel Places (Inter-

Sweden. "We are right at On May 5, three days prior to end of discussions. An ACS Ltd. ceasing to trade, two ouncement is imminent," he first class tickets to New York were purchased on behalf of the group with financial backing. The U.S. house said yesterday it

Ransome Hoffmann loss at midway

plunged Ransome Hoffmann Pollard, the bearings, electrical products and fasteners group, into the red in the first half to April 3 1981. But the directors believe the worst effects of the recession are past and better results will be achieved in the second six months.

The pre-tax loss for the period was £123,000, compared with a profit of 25.94m last time, after redundancy costs of £1.27m (nil) and interest charges up from £965,000 to £1.42m. The profit for the corresponding period in 1979/80 was also struck after special stock disposals of £733,000.

At the attributable level, the loss was £1.16m (£4.3m profit) after tax of £104,000 (£1.6m) and an extraordinary debit of £906,000 (nil).

The interim dividend is held He states that a continuing at 2p net—last year's total was bright spot was the high level 5.46p from profits of £11.02m. of deliveries in the aerospace

HIGH INTEREST rates and the

depressed state of the steel and

related industries reduced the

1980 pre-tax profits of London and Northern Group by 33 per

The directors have proposed

same-again final dividend of

cent from £13.06m to £8.76m.

payment at 3.75p.

Mr. D. J. Ewart, chairman. says the closure of the Northampton factory, together with redundancies in the group's other factories, will reduce capacity costs substantially more than the fall in demand. He points out, though, that none of the benefits of these cost reduc-tions was reflected in the first half, partly because of production duplication and transfer costs and partly because of short-time working at all but one of the factories.

Sales slipped from £59.64m to £58.72m and the chairman says the bearings division suffered a further reduction in UK volume of over 20 per cent, although its market share was unchanged. The situation was aggravated by the strength of the pound.

improved as the effects of de-stocking ceased. Orders were particularly strong in the auto-mation, defence and safety fields, which remain areas of future growth.

Further redundancies were made in the fastener subsidiary, but this made a small profit on

The overseas companies all did well and earned record profits, with improved stock availability and strong selling activities still able to offset the high level of sterling. Exports to North America were helped by the recent reversal of the persistent up-trend in sterling, says the chairman, but overall exports showed some decline.

comment

Bansome Hoffmann Poliard spent nearly £8m in the first half to cover closure costs at

REDUNDANCY COSTS and The first half loss per 25p share field.

Annifeld Plain and Northampton rising interest charges have is shown as 0.7p against earnings plunged Ransome Roffmann of 13.6p.

Annifeld Plain and Northampton Profits of the electrical divisions, low in the first quarter, ing plants. The nominal profit in ing plants. The nominal profit in bearings before redundancy charges reflects a good contri-bution from the overseas subsidiaries offset by losses in the UK following a further 20 per cent volume decline in the home market. However, RHP has been able to bring down stocks in recent months and improve the weekly working rate in its bearing factories so a small profit in this sector is still possible. As expected, the electrical sub-sidiaries had to contend with destocking in the first quarter but sales improved in the second quarter and seem to be holding up. Group profit in the full year could be £2m £4m but capital gearing has risen to about 50 per cent as a result of the big closure costs. At 80p. down 51p yesterday, the historic yield is 10 per cent, perhaps reflecting uncertainty about the fina

High interest rates hit London & Northern

its profits, despite softness in the double-glazing market. Pauling has civil engineering contracts in

the contracting / construction average. In yield terms, the discount remains more significant; on yesterday's unchanged share price of 46p, the yield is 123 per cent-more than twice

Redman Heenan plunges into loss as orders decline

IN THE half year to March 31, 1981, Redman Heenan Inter-national, maker of engineering products, dived into the red incurring a pre-tax loss of £1.5m for the period, compared with a profit of £1.09m last time. Turnover dropped by £4.27m to

As anticipated earlier this year, order intake remained depressed during the half year, against the worst trading condi-tions in the company's history. For the year to-date, order intake has been 40 per cent below that of the comparable period last Although results for the

second six months are expected to show some improvement on the first half, the directors say it is unlikely that this will be sufficient to restore the group to profit for the year as a whole.

However, because of the strength of the balance sheet and the directors' belief that the group can withstand the effects of the recession, the interim dividend is being held at 2.2p net—the previous year's total was 4.2p on taxable profit of

The group has continued with its investment policies and the directors have confidence in the underlying strength of the group and its recovery potential, which they say will be realised as soon as the volume of order intake returns to normal levels.

redundancy costs. The pre-tax result was also struck after interest payable of £68,000

(£104,000).
After charging tax of £175,000 (£271,000) and dividends costing £415,000 (same), but including extraordinary credits of £10,000 (£283,000), the group was left with a deficit of £2.08m, against profit of £0.69m last time.

comment After January's warnings of a

tough first half the stark reality of a £11m loss from Redman Heenan is worse than the market had anticipated. But the blow is cushioned by the expectation that Redman will be back trading profitably in the second half. The recovery may not be good enough to offset all the interim deficit but trading profits in the closing six months could more than balance out the half time loss before the £604,000 charge against 500 redundancies. Redman's main headaches were at Redman Fisher (steel flooring) and Fielding and Platt (metal-working and presses) though all divisions went into reverse. The shares eased a shade to 580 by westerday but if the market generally had been in a better frame of mind they could easily have gone the other way. Much better results are expected from Redman next year and with a dividend yield of at least 10.8 per Substantial economies have cent there seems little danger

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Pagg. **Stanci**ii)

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33 (10 p)

Marginal decrease in Sphere net revenue

f2.01m to £1.93m for the year to and forecasts an interim of 2.85p. March 31, 1981, after tax of £973,613, against £984,827. Earnings per 25p share slipped from 214.92p.

Baring Brothers & Co., Limited

Saudi International Bank

Bank of Heisiaki Ltd.

Samuel Montagu & Co. Limited

Net revenues of Sphere Invest-ment Trust fell marginally from the payment in the current year

6.62p to 6.34p.

A final dividend of 3.4p (same)
makes a net total of 6.25p (5.7p).

Gross revenue totalled £3.47m
(£3.52m including special nonrecurring dividends of £0.38m).

All these escritics having been sold, this announcement appears as a matter of record only.

Republic of Finland

£50,000,000

14½ per cent. Loan Stock 1986

ISSUED BY TENDER ON A YIELD BASIS

Issue Price £99.8715 per cent.

Morgan Grenfell & Co. Limited

Hill Samuel & Co. Limited Kleinwort, Benson Limited Lloyds Bank International Limited

Union Bank of Finland Ltd.

County Bank Limited

Kansallis-Osake-Pankki

than maintained. But as fore-shadowed at the interim stage. the increase was not enough to counteract the effects of high interest rates and the continued downturn in the steel and related industries. taxable surplus was

2.35p, maintaining the net total struck after sharply increased Turnover of the group, which charges of £4.69m involved in construction, (£2.44m). metal reclamation and steel There was a tax credit of

stockholding, fell from £228.16m to £214.33m for the year.

At the halfway stage, sales had improved from £103.56m to £110.88m but profits were down from £5.86m to £4.31m.

The board says the overall trading profitability of the con-

The board says that net a good year, and appears to tangible assets attributable to have reasonable prospects. The shareholders have increased to £46.2m and net borrowings have been reduced to £20.5m. comment

Most of the 1980 decline in London and Northern's fortunes can be traced to high interest rates and low demand for scrap metal. Although borrowings fell by 22m during the year—gearing is now below 50 per cent—the interest charge nearly doubled. £1.8m of metal profits earned in 1979 disappeared. There were a few other grey areas; plant-hire profits fell by a third, housebuilding by a half. But there are signs of improvement even there. In other activities, the group had the average for the sector.

Weatherseal subsidiary increased the Middle East and Africa extending over the next three panies will be fully occupied in the UK this year. Work in hand stands at £45m, against £43m last year. On a fully-taxed basis the

COMPANY NEWS IN BRIEF

BREMAR TRUST (investment trust)

—Net revenue £58,800 (£47,335) for year to March 1981 after UK tax of £50,403 (£30,263) and foreign tax nil £5119). Final dividend 1.1p, making a net total payment of 2.1p (1,959). Earnings per £1 shere 2.45p (1,979) and 1981 asset value per shere 30.17c. and not asset value per share 30.17p (27.06p).

"W" RIBBONS HOLDINGS (menu-fecturer of nylon and polyaeter

Hambros Bank Limited

S. G. Warburg & Co. Ltd.

Yamaichi international (Europe) Limited

webbings)—Pre-bax loss £273,317 (£230,227) after interest of £333,557 (£279,385) for half year to the end of Decamber 1980 on turnover of £4.95m (£7.61m). Tax nil (£16,567). Attributable loss £273,317 (toxs £686,573 after extraordinary debit of £472,388). No interim dividend (same). Board says the UK company's order books have increased in the last few weeks and it is hopeful that this will be maintained with a consequent improvement in trading results.

in trading results.

FRANCIS SUMMER (HOLDINGS)
(industrial holding company)—Results
for 1980 prospects and demerger proposals for non-textile interests reported
May 8. Shareholders' funds 68-22m
(E5.8m). Fixed assets £2.6m (£1.82m).
Net current assets £3.67m (£3.82m).
Net borrowings up £609,132 (down
£271,137). Proceedings have been
instituted against company alleging
breach of warranty erising out of sale
of subsidiary in 1977. Directors consider claim to be unfounded and as
such it is being strongly disputed.
They therefore believe that no provision requires to be made in accounts.
Meeting, Winchester House, EC, June
11. noon.

ASSAM-BOOARS HOLDINGS (tea producer)—Pre-tax profit £213,381 (£53,923) for 1980. Dividend main-tained at 6p net. Profits after tax were £180,923 (£54,253) and atter exchange losses were £66,358 (loss £93,549). Earnings per £1 share emerged at 5.89p, against loss of 9.78p. VYESTERN DOOARS TEA HOLDINGS (investment holding company)— (investment holding company)—Results for 1980: Pro-tax profits £66,464 (£20,867); alter tax profit £5,219 (£21,113); "losses after tex and exchange losses £33,140 (£89,551). Loss per £1 shere 9.2p (7.05p). Dividend 4p (seme).

exchange tosses 183,140 (E9,907).
Loss per £1 share 9.2p (7.05p). Dividend 4p (aeme).

PETROCON GROUP (manufacturer of equipment for oil, petrochemical, process and water industries)—Results for 1880 reported April 4. Fixed assets £1.7m (£1.74m); current essets £3.9m (£8.3m), including debtors £2.0m (£8.3m) and stocks £1.6m (£2.79m); current liabilities £2.7m (£3.3m) and bank overdrafts £2.4m (£3.3m) and bank overdrafts £24.838 (£283.984). Shareholders' funds £3.2m (£2.376m). Decrease in working capital £3.4m (£7.76m). Decrease in working capital £3.6m (£2.76m). Decrease in working capital £3.6m (£3.76m). Decrease and is capital £3.6m (£3.76m). Decrease and is capital £3.6m (£3.76m). Decrease and is capital £3.6m (£3.76m). Decrease cap profitability during the remainder of the year.

LONDON TRUST COMPANY (investment trust)—Results for year to March 31. 1981: Gross revenue E9.31m (£7.37m): pre-tex revenue E4.9m (£4.3m); pre-tex revenue E4.9m (£4.3m); pre-tex revenue E4.9m (£4.3m); pre-tex revenue E4.9m profitant, 2.25e (adjusted 1.875e for a total of 3.5p (3p adjusted). Net asset value per 25e share 111.5p (78.1e).

a total or al.ap (Jp agusten). Net asset value per 250 share 111.5p (78.1p).

PERCY L'ANE GROUP (maker of window assemblies)—Mr. Peter Lane, chairman, said at AGM that group had made a firm start to year and it seemed probable that a modest profit increese would be seen for first helf.

After more than four months, a setisfactory profit performance in his UK had been marred only by an unofficiel labour dispute at Percy Lane during March and April, now resolved. Para Preas had again performed well in a tight market, while very low sales at Essenard had caused losses but there were good indications of improving yourse from June onwards. Looking further sheed, the group was beginning to see some stabilisation in the level of incoming orders and if this could be maintained, a satisfactory performance was expected in the second half.

SUN ALLIANCE AND LONDON INSURANCE—Lord Aldington, the chaimsan, said at the annual meeting that at home, favourable weether conditions had helped underwriting for the first quarter and home results were



Lord Aldington, the chairman of Sun Alliance—UK underwriting results

materially better. msterielly better than a year ago. In most overseas territories, notably in Australia and Canada, underwriting continued to reflect the unatable market conditions and oversall oversoas experience was worse than a year ego. Investment income for the first quarter had showed satisfactory growth.

WIGGINS TEAPE GROUP (papers of SAT (papers) Wiggins TEAPE GROUP (paper-making subsidiary of BAT Industries)
—Results for year to December 27, 1980 reported with the preliminary figures of its perent company on April 30 Fixed assets £142.7m (£125.06m); net current assets £131.62m (£131.28m). Meeting: Basingstoke, June 15, 12.45 pm.

NATIONWIDE LEISURE (Carevan park prepared)—Results for 1990 NATIONWIDE LESURE (caravan park operator)—Rasuits for 1980 reported April 30: Shareholders' funds £1.38m (£1.4m). current assets £325,349 (£1.4m). current liabilities £825,349 (£1.4m). Chairman states that legal proceedings to recover moneys believed due from former directors have commenced. Meeting: The Cale Royal, W. June 5 at 11 sm. ALEXANDER: STEPHEN AND SONS fancingent)—Rasuits for year to March ALEXANDER STEPHEN AND SONS (angineer)—Results for year to March 31. 1981: Operating surplus, £24,958 (£2,585); pre-tax autoius £60,400 (£42,523) includes income from investments, £35,442 (£29,637). Tex; £18,834 (£3,813). Dividend 1.4p (1.05p).

OWEN OWEN (department stores operator)—Results for year to January 31. 1981, reported on April 24. CCA pre-tax profit £537,000 against £2,62m (£20,77m), fixed assets £20,93m (£17,4m), get current elsets £10,72m (£10,33m), loans £8,98m (£4,5m), overdrefts £4,58m (£2,35m). Chairmen states that seles in the UK and Canada have been running ahead of projection in the current year to date, Maeting,

Liverpool. June 11 at 11.30 am.

HAROLD PERRY MOTORS (Ford main dealer)—Results for 1980 and prospects, including first-quarter presex profits shown as down from £1.36m to £850.000, reported April 24. Historical taxable profits of £3.42m (£4.93m) raduced to £2.05m on a CCA basis. Fixed assets £17.23m (£13.25m); cutrent assets £14.75m (£13.25m); cutrent liabilities £9.87m (£13.25m). Shart-holders' funds £19.48m (£16.08m). Meating: Royal Automobile Club, Pall Msil. SW, June 10, noon.

CAPE INDUSTRIES (menufacturer of building and insuljation meterials and automotive components, subsidiary of Charter Consolidated)—Mr. Geoffrey Highem, chairman, stated at the AGM that sales and optofits for the first quarter were on budget and showed an improvement over the last quarter of last year.

RIGHTS ISSUE ACCEPTANCES

Acceptances have Acceptances nave been received in respect of 40.85 per cent of the 24.9m convertible preference shares offered in a rights issue by Weir Group. The balance has been sold in the market, and the excess of try will be distributed among the original allottees.

original allottees.

A rights issue by London Shop
Property Trust of £4.8m 9 per
cent convertible unsecured loan stock has been accepted as to 29 per cent by ordinary share-holders. The remainder has been taken up by the underwriters.

ART GALLERIES

BROWSE & DARBY, 19. Cork St. PHILIP SUTTON paintings. Bond Street, London, W1.

THACKERAY GALLERY, 18. Thackersy St. Konsington Su. W8, 937 5883.

MARK WINER, Until 5 June.

MARKSOROUGH, 6. Albengarie St. W7. Marking Penn So Photograph, in plantum metals: images 1947-1975.

Until 19 June.

COVENT GARDEN GALLERY, 20. Reseal Street. W72. Rural Ylews in 16 Counties. Watercolours by George B. Wollaston 1874-1895. Until May 29th.

1874-1895. Until May 29th.

Sass. 10-12.30. Until May 29th.

DICHARD GREEN, 44. Down Street. RICHARD GREEN, 44, Dove Street, London, WI. 01-491 3277. BRITISH LANDSCAPE PAINTINGS. Delly, 10.00-6.00. Sat. 10.00-12.30. ROYAL SOCIETY OF PORTRAIT PAINTERS 87th Annual Dehibition at the Mail Gelicrics. The Mail, SW1 Mon.-Sat. 10-5. Until 10th June (Closed Bank Hol. Mon. 25th). Adm. SDp.

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-350 am. Disco and top musicians, glesnoous bostesses, acciding floorshows, 189. Regent St. 734 0557. GARGOYLE. 49. Dean Street, London, WI, NEW RROTIC FLOORSHOW CLOSE ENCOUNTERS 11-3-36 am, Shows at Widolsht and 1 am. Mon.-Fri. Closed Schurdsys. 07-437 6455.

been made during the period of any relative price weakness resulting in a charge this time of developing. DIVIDENDS ANNOUNCED

		Date	Corre-	Total	Total
	Current	at	sponding	for	last
•	payment	payment	div.	year	year
Advance Servs	2.3	_	2.3	3	2.6
Alpine Holdings	2.98	Aug. 17	2.98	5.25	5.25
Assam-Dooars Hidgs	6		6	6	6
Bremar Trust	1.T		0.95	2.1	1.95
Fine Art	1.65	July 2	1.5	2.75	2.5
Geers Gross		July 3		4	3
Hartwells Grp.	3.58	July 31		5.37	5.37
Idris Hydlic Tin 3rd int.		July 20		9	14
London and Northern		July 6		3.75	
London Trust	2.25	July 3		3.5	3*
Marks and Spencer	2.3	July 17		3.8	3.4
B. and L Nathan	nil		2.6	nil	4
Ransome Hoffmann int.		July 15			5.46
Redfearn Glassint.	3	July 30			10.56
Redman Heenanint.	2.3	Oct. 1	2.2	_	4.2
Selincourt	0.7	July 6		1.14	1.82
Sphere Inv. Tst	3.4	June 26		6.25	5.7
Western Dooars Tea	4		4	.4	4
· Whitbread Inv	2.85	July 24		4.3	3.67

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

ANSAMATIC Banco Santander Banco Urquijo Banco Vizcaya Banco Zeragoza domestic telephone answering machines including the NEW MICROPROCESSOR MICROPROCESSOR CONTROLLED AC2500. All equipment is British Telecom certified and backed by our nationwide service network To rent of buy please "phone: 01-446-2461. Ansamatic Limited, Viatron House, 928 High Road, Finchley, London, M12-961. Dragados code-a-phone

M. J. H. Nightingale & Co. Limited

79A	0-81			-			P/8	<u> </u>
High	Low		Lest price	Change	Gross div.(p)	Yiel %	d Actual	Full
78	39.	Airsprung	73		4.7	6.4		
52	21	AMINIADE and Rhodes	51	_	1.4	2.7	21.0	16.
200	921	Bardon Hill	200	_	9.7	4.9		48.
104	33	Deporan Services	104	_	3.5	5,3		12.
126	88	Frank Horsell	103	_	5.5 6.4	· 6,2		9. 5.
110	39	rrederick Parker	59	_	1.7	2.5	25.7	
110	64	George Blair	64	_	3.1	4.8		_
110 127	.59	Jackson Group	103		6.9	6.7	3.9	8.
	103	James Burrough	127	-	7.9	6.2	10.4	10.
334	244	Robert Jenkins	320	_	31.3	9.8	10.4	,100
55 224	50 204	Scruttons "A"	55	-	5.3	9.6	4.0	4.
		Torday	204		15.1	7.4	3.5	7.
23 90	. 8	Twinlock Ord	131	_	<u>;</u>			-
56	68	Twinlock 15% ULS	. 75	_	15.0	20.0	. =	_
103	35 81	Unilock Holdings		_	3.0	6.8	8.8	10.
103 263	781 181	Waiter Alexander	101	_	5.7	5.8	5.6	8.
405	161	W. S. Yestes	255		13.1	5.1	4.8	9.

CORAL INDEX Close 544-549 (-9)

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OIL INDEX July Refined \$40.51 October Refined \$42.25

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Research and Development in Unilever

Sir David Orr Chairman of Unilever Limited, at the Annual General Meeting on Wednesday, 20th May, reviews the contribution Research and Development have made to Unilever's success.

Unilever is the largest and the most broadly based consumer business in the world, with ong interests in non-consumer goods such as chemicals, paper, plastics and packaging, and imal food stuffs. These products have to perform as well in the chimate of Northern Canada as any do in the Tropics.

This diversity of both products and geography is a dominant feature of the Group, and has ique implications for the organisation and for the way in which we establish our priorities in search and Development.

"This diversity leads to formidable problems in assessing how much e should spend on research and how best we can develop a suitable ortfolio of research projects."

Our conviction that we must carry out such research is prompted diguided by a deep and continuously updated knowledge of the uketplace, and it is because our products have to satisfy the needs of my customers in many climes, that we have to take time and care to that as far as possible we get value for money from it.

In spite of appearances, our products are quite complex from a entist's point of view. Many of the raw materials are variable in mposition and can change their physical and organoleptic qualities as esult of processing.

Because of this complexity, expertise in many scientific disciplines is quired to enable us to make products that are safe, and that have the operties that we require and claim for them.

"The Development activity essentially seeks to aswer the question How."

There is, of course, no clear distinction between 'Research' and evelopment'. However, within Unilever, we think of Development as application of knowledge and understanding gained by research of necessarily our own) to the solution of a specific product or ocess problem.

In spirit and in attitude, Development must be close to both arketing and production. That is why we believe it must largely be tried out by local companies, and not by a central organisation. This is en more the case in view of our growing presence overseas.

Consequently we have Development laboratories in our larger mpanies, and in more than 40 countries, whose strength and quality we econstantly developing.

Their task is to tailor our products and processes to the local vironment and market demands, and to take account of indigenous w materials, national legislation and all those factors that are local in aracter.

Inevitably there are strong links between these Development units d Research links which we continually strive to strengthen.

"It always seeks to answer the question Why."

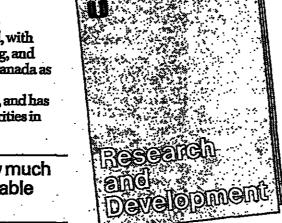
The problems of organising and directing Central Research are ore complex, as a result of both the diversity of Unilever and of the ture of scientific research itself.

The essential feature of Research is that it seeks to gather data out natural phenomena and to make sense of it in order to produce derstanding.

Unlike Development it is not specific to a particular problem, but iversal in its application. It is also resource oriented. And the time ales involved are long. Thus careful programme selection is essential in der to avoid wasting time and money, and putting ourselves at risk.

Inevitably, too, successful research widens the options available to

This has two important consequences. Firstly, it means that the ganisation of central research should not be rigid. Secondly it throws opportunities outside traditional product areas, the exploitation of ich requires imagination and courage.



forecasts. Thus we have been able to identify a limited number of scientific areas and topics that are likely to be applied to as many of our product groups as possible.

Finally, we monitor the progress of the fundamental research programme very carefully to

Finally, we monitor the progress of the fundamental research programme very carefully to make sure that no developments applicable to existing product areas are missed, and that no opportunities in non-traditional areas are ignored.

themes which link these technologies together, and this helps our research people to integrate the

"Innovation can mean quite radical changes in many aspects of the business and we at the top of the business must give encouragement to and support for the generation and development of new ideas."

There is sometimes a misconception that invention and innovation are essentially the same.

We consider that innovation, by definition, is the commercial exploitation of a new idea from whatever source. It synthesises a particular consumer need and the technical means of satisfying it at a time when the market need is clearly expressing itself.

While simple in outline, the risks of innovation are considerable. Even in product areas where we have had great experience, our timing has been awry. However, such are the rewards, we must constantly try to assess the value of innovations to us, and to exploit them effectively through refining our ability to estimate the time factor.

"We see plenty of opportunities for new products and even for new areas of activity."

I have tried to portray our Research Division as an active and capable group of scientists who keep us up to date to the opportunities which science throws up for us. We expect that many of these will derive from the exciting developments in bio-technology, and already we have set up multi-disciplinary research teams in immunology, controlled cell culture and cellular biology. All these teams are under one direction, with a fairly clear view as to where their work might be exploited.

For example, the immunological work has produced an oral vaccine for pigs and calves which is used as part of animal feed, and which cuts down mortality and morbidity in these animals dramatically. The group has also produced medical diagnostic devices for humans, and they are now developing (with the aid of the cell culture team) the manufacture and use of mono-clonal antibodies for early diagnosis of disease in humans. The cell culture team has succeeded in producing clones of identical oil palms which are now on our plantations in Malaysia, and which give a yield increase of over 30%. Similar work on the coconut palm is already well in hand.

I could cite many other exciting opportunities which are opening up to us as a result of this work in the bio-sciences, but my main purpose has been to illustrate the way in which, by careful selection of appropriate scientific areas and by detailed study of them, our research scientists can influence the future development of our business.

"There are no magic formulae by which we can show how efficient we are at research."

Our essential investment must be in people. Where possible we look for young men and women who have a proven record of research, to whom we can offer a wide spectrum of opportunities for career development, some in the world of science, some in technical development, some on the technical side, and even some in business management. This mobility is good both for Research and for the business.

Research often proceeds by trial and error. Often we only hear of the successes of research, but these are made only after exploring many pathways and after many frustrations. Even the successes of our scientists will not be seen clearly by them in the marketplace, perhaps for many years, and this is why they need the encouragement and support of the top management in the company.

I believe that in Unilever we give them that support because we think their work is vital to the future of this business.

"Scientific research in an industrial setting has some interesting implications for the way we organise it."

In order to maintain the pre-eminence of our position we need to employ people from many scientific disciplines, from histopathologists to engineers, from immuno-biologists to experimental physicists, to work together on a multi-disciplinary basis in one of our three main research laboratories, located in our parent countries; at Vlaardingen in The Netherlands, and Port Sunlight and Colworth House in the UK, close to our product group central managements.

Central Research has two main tasks. The first is to support our existing product areas by improving products and processes, and by providing new product ideas. The second is to identify new opportunities, which may derive from our own research or from general advances in science and technology.

The first of these tasks has more immediate impact, and we would

expect the chances of success to be high.

The search for new opportunities, on the other hand, is much more speculative, and the time needed to exploit any chosen development is likely to be quite long.

Of course, in developing the fundamental research programme the senior scientists of our Central Research Division must have considerable help from their colleagues in the business side, and a view of the strategy for growth of our product groups. We do not think of research strategy on its own, but of a business strategy that embraces

Any programme of research designed to support existing business begins with broad discussions between Research and the product group managers which establish the basic scientific, technological and commercial criteria.

From these discussions, Research will be able to develop a portfolio of projects, within the scale of available resources.

Allocating resources for developing new opportunities is even more difficult and the risks involved even greater. But our strategy must ensure that opportunities created by rapid developments in science are highlighted, and their potential for exploitation by Unilever examined.

"There is really no alternative to faith, and while we cannot eliminate this belief we try to minimise our exposure by our procedures."

The research programme is, then, a result of a synthesis of both scientific and business views of the future, and represents an act of faith on the part of the Group.

Of course we try to support this faith by following certain practical procedures.

We start by forecasting the way in which the various sectors of Unilever wish to develop, and the potential advances in science that may have important effects on our business.

Although our business embraces a wide variety of products made by processes using many technologies, there are many common scientific

The Annual General Meeting of Unilever NV. took place in Rotterdam on the same speech as Sir David Our in London.

Mr. H. E van den Hoven, Chairman of Unilever NV., provided and delivered the same speech as Sir David Our in London.

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daress				

If you would like to receive a copy of the full text of the speech please

Hartwells down but payout held

FALLING VEHICLE sales and tax credit of £124,000 (£400,000 severe price competition within the motor industry, set against which absorb £636,000 (£611,000). the motor industry, set against a background of national recession with interest rates at unprecedented levels, has resulted Group falling by 30 per cent from £3.96m to £2.77m in the year to February 28, 1981. The pre-tax profits were down from £2.86m to £1.5m.

Turnover of this distributor of vehicles, agricultural tractors and implements, and bulk fuel oil, increased by 6.8 per cent from £142.53m to £152.23m, excluding VAT.

Despite the adverse trading conditions, the board is recom-mending an unchanged final dividend of 3.578p net for a same-again total of 5.367p.

Mr. F. S. Huggins, the chair-

man, says both the motor car and commercial vehicle markets year and will be extremely competitive. He says the measures taken in the second half of the year are reducing overheads and interest charges, and profits for the first two months of the current year are better than those achieved in the corres-ponding months of last year. It is difficult, he adds, to make forecasts for the full year, but he hopes better results will be

The pre-tax figure is struck after interest and stock finance charges up 15.5 per cent from £1.1m to £1.26m. There was a

profits retained came out at £992,000 (£2.11m). Stated earnings per 25p share are down

from 23.5p to 13.7p.
Mr. Huggins says there has been rigorous control of capital, in particular stocks, which were £3.84m lower at the end of February than a year earlier.

A reduction of £3.83m in the bank overdraft also reflects the

In a general survey of the group's activities, he says the total national market share of franchises remained unchanged at 63.7 per cent comprising BL 18.2 per cent (19.6), Ford 30.7 (28.3), Vauxhall 7.2 (6.6) and

Peugeot/Talbot 7.5 (9.2).
The introduction of both the
BL Mini Metro and the Ford Escort provided a much-needed boost to the sales effort, and both models are selling well and making valuable contributions to. current profitability, he says.

New commercial vehicle unit sales were 23.7 per cent down at 2,254, but good progress was made in all service and parts departments, and motorcycle sales Trading was difficult for caravans and new unit sales were down by 29.8 per cent, and petrol sales have again been the subject of price-cutting and trading has been on low margins. The historical pre-tax profit was reduced to £576,000 on a



'The Paint'n' Paper People

Over 30% increase in sales despite difficult trading conditions

Turnover

Earnings per share

Pre-tax profit

50,397,727(Exc. VAT) 38,238,001 2,218,510 2,982,941

Highlights from the Statement by the Chairman, Mr. M.J. Stanley at the Annual General Meeting on May 20th 1981. *Depreciation and losses on

disposal of assets was up *Interest paid was up £207,380

and this had a significance in the reduction in profits.

*Designs from the Mill have been well received by the trade in 1981.

*At least 14 new stores to open this year.

Acopy of the Report and Accounts can be obtained from the Company Secretary, A.G. Stanley Holdings Ltd., Alexandra House, 39 London Road, Sevenoaks, Rent TNISTAR.

A.G. STANLEY

U.K.'s largest paint and wallpaper retailer.

Harrisons Malaysian **Estates** slips £4.1m

Taxable profits of Harrisons
Malaysian Estates, rubber producer, slipped f4.08m to £19.24m
for the nine months to the end
of December 1980 on turnover
down from £54.8m to £44.9m.
In the presions fall area. In the previous full year, the group reported profits of £31.28m on turnover of £72.1m. A net total dividend of 8p was paid. For the current year an interim payment of 2.5p has so far been declared.

The surplus was struck after investment income of £3.79m (£2.65m) and a share of (£2.65m) and a share of associated company profits of 2315,000 (£338,000).
Earnings per 10p share were down from 7.8p to 7.68p after a reduced tax charge of £12.92m (£13.1m).

(£13.1m). The profit attributable to shareholders increased from £13.02m to £18.25m after an extraordinary credit of £5.43m (nil) and a debit for minority interests of £90.000 (£45,000). The extraordinary item was the surplus arising from the discount by sphiliprica of their

the surplus arising from the disposal by subsidiaries of their holdings totalling 869,743 ordinary shares of £1 in Harrisons and Crossield which it acquired before it became 80 per cent owned by Harrisons and Crosfield.

Advance **Services** improves

Taxable profits of Advance Services, linen supply and laundry group, improved from £4.47m to £4.89m during 1980 and the directors are stepping up the dividend from 2.6p to 3p net

with a final of 2.3p.
On a current cost basis, the surplus is reduced to

Tax took £667,000 (£972,000) and after minorities of £1.27m (£1.1m) and extraordinary credits of £279,000 (£593,000), the attributable profit emerged at £3.24m against £2.98m. Earnings per 10p share rose 1.92p to a stated

Turnover went ahead £35.44m (£30.15m).

Metalrax over target for first quarter

First-quarter profits of Metalrax (Holdings) were ahead of budget, Mr. John Wardle, chairman, told shareholders of the Birmingham-based engineering group at the annual meeting.

Cash flow had been firmly positive and payment of the final dividend and tax liabilities had not reduced the £0.5m credit

balance shown at the end of the Mr. Wardle said the group had "no intention of joining the list more money from their shareholders through rights £1.01m, against £1.7m for the

A change of name to Metalrax Group PLC was approved at the

ROWNTREE

Acceptances have been received in respect of 80.9 per cent of the 27m shares of Rown-tree Mackintosh offered in a rights issue at 160p a share.

ASSOC. BISCUITS

The board of Associated Biscuit Manufacturers is proposing to change the name of the group to Huntley and Palmer Foods. Mr. Gordon Palmer, the chairman, told the annual general meeting. Biscuit manufacture now accounts for little more than half of sales by the group which includes Smith's Food Group.

Fine Art calls for £5.3m as profits slump to £4.6m

Fine Art Developments, the greeting cards and mail order company, not already held last credits inherited from Wilson. Spending has reported an expected year for £1.5m in cash plus fitter net extraordinary credits of £4.5m in the year ended on Spending has largely been released deferred tax, attributional from retained profits as the profit was £5.5m (£4.7m).

However, it is recommending a 10 per cent higher final dividend and, in the context of 25.3m rights issue, is undertaking to rake the total dividend from 2.75m to 2m a charal thir from 2.75p to 3p a share this

The rights issue, the group's first since a June 1977 call for £1.8m, is on the basis of one new ordinary 5p share at 55p for every five held on May 8.

The directors say that turnover has doubled since the last rights issue and substantial sums

Spending has largely been financed from retained profits and borrowings and the directors are of the opinion that it is now appropriate to broaden the company's equity base. Initially, the net proceeds of the issue will be used to reduce short-term borrowings from the unusually high levels reached in the past

Turnover in 1920-81 grew from £58m to £75m but included £10.7m from the Wilson group in respect of the nine months in which it was consolidated. Trading profit was £7.4m (£7.2m) while interest charges jumped

able profit was £8.5m (£4.7m). Dividends took £1.3m (£1.1m) and, after transfers to capital tained profit was £7.1m (£2.7m). The CCA accounts show profit before tax of £3.2m (£5.2m) and

attributable profit at £7.1m No profit forecast is given for the current year but the chairman says the company has the essential ingredients for continued growth and success. Wilson is being reorganised

and the sale of part of the Hayes factory is expected to realise £1.5m. "The benefits of have been invested in production while interest charges jumped Hayes factory is expected and distribution facilities. In addition, Fine Art acquired the The tax charge at £0.3m integrating Wilson into 75.6 per cent of Wilson (£3.3m) was lower because of group should begin to

through in the current year."
Dealings in the new shares in the rights issue are expected to begin in nil paid form on May 26 and the final date for acceptances is June 12. The directors, certain members of their families and trustees of their family trusts are sub-scribing for their entitlements amounting to 893,707 shares and the balance has been under-written by County Bank. Brokers to the issue are Scrimgeour

• comment

The profit setback at Fine Art Developments is due to the much higher interest charge. Sales, excluding Wilson, are up 12 per cent by value and marginally by volume, while trading profit is up 2 per cent.

two years of vigorous expansion but the rights issue plus the pro-ceeds of the Hayes factory sale will substantially eliminate this burden. Wilson should contribute at least fim this year compared with only £150,000 in 1980-81 after significant rationalisation. In short, the group should get back on its growth course quickly although the crucial Christman the crucial Christmas trade of cards and gifts will not show up until the second half. Perhaps more than £7m is in sight for the full year. The shares cased 4jp to 64p yesterday where the exrights yield on the forecast dividend is about 7 per cent. The prospective ex-rights fully taxed p'e on the average issued capital would be about 10

Redfearn £1.6m in the red Geers Gross rises and expects full year loss

annual statement, Redfearn National Glass has sustained National Glass has sustained significant losses in the half year to March 29 1981 with a deficit level of production; cost increases which could not be creases which could not be creased by price rises; reductions to the could not be creased by price rises; reductions to the could not be creased by price rises.

The full year is also likely to show a loss. Mr. John Pratt. show a loss. Mr. John Fratt, chairman of the glass and plastic statement of the glass inadequate to make up the ground lost so far.

The net interim dividend is interest charges of £645,000 being cut from 5.28p to 3p—last (£601,000).

year's total was 10.56p from tax—Sales edged ahead from able profits of £1.79m.

Net loss for the year, after tax

charges of £78,000 (£137,000) representing ACT written off, was £1.69m against a profit of £47,000. The interim dividend absorbs a further £182.079 (£320,458). The loss per share is shown as 27.89p (0.71p

in the 12 months to end-January,

1981 the pre-tax figure emerging at £839,000, compared with £2.06m at midyear they had

dropped from £1.16m to £452,000.

However, the directors say with the closure of the loss-making Suede and Leathercraft

subsidiary and the implementa-

same period of 1979-80, leaving

the total for the 53 weeks to

January 31, 1981 lower at £1.28m, compared with the previous year's £2.76m.

A same-again final of 2,975p

net, however, maintains the total payment at 5.25p per share. Stated earnings per 5p share dropped from 15.82p to 8.94p.

Tax, including a credit of

£635,000 for release of deferred tax, took £269,000 (£989,000). After extraordinary debits of £645,000 this time, attributable profits were well down from £1.75m to £350,000

On a current cost basis, pre-

tax profits fell from £2.33m to £829,000.

Following the acquisition in 1978 of Dolphin Showers by

£1.75m to £359,000.

reasons for the first-half loss: covered by price rises; redud-dancy costs and a planned furnace repair. furnace repair.

Trading losses amounted to 5556,000 (£1.34m profit) after depreciation and furnace renewal expenditure of £1.62m (£1.53m).

ing the final cost of last year's job-cutting programme, and net

Sales edged ahead from £28.61m to £29.73m, but there was a small decline in volumes. comment

Redfearn's interim figures show the delayed impact of the de-stocking which its customers were pushing through last summer. In August, Redfearn

recommending a final dividend of 0.7p (1.12p) which makes a

total net payment of 1.141p against 1.82p.

figure the decline in profits at

SECOND-HALF taxable profits Alpine further and final con- and cash flow but the kitch

The balance sheet will show

Dolphin Showers had another

cash and resources in excess of £1.8m as at January 31, 1981.

successful year with pre-tax profits up 20 per cent at £1.74m

Forewarned is forearmed. Alpine

made it clear a year ago that its important double-glazing market had softened appreciably and

spelt out what it had intended

to do to slim its cost base. The

North London factory has gone, which explains the extraordinary

costs, and the direct sales force

has been cut back. Alpine now says that it is putting on extra selling staff and is looking for a

been paid to the vendors.

Compared with the pre-tax

Selincourt dives to £0.84m

Alpine falls but pays same

comment

subsidiary and the implementathe operating level was less tion of a vigorous cost-cutting severe, £3.48m against £4.26m,

programme they are confident of which the directors point out a substantial recovery in profits shows that operating margins for 1981-82, even if the looked-were virtually maintained despite

of Alpine Holdings dropped to Sideration totalling £433,256 has

mand for about 12 weeks. The exercise of shrinking this stock to a target level of six to eight weeks while costs—notably gas prices — were rising entailed months of production at well below break-even. Gross margins of 3.6 per cent in the first half were too shallow to cover the depreciation charge, and the resulting deficit was aggravated by a further tranche of redundancy payments as well as a higher interest charge. Borrowings have been reduced along with stocks, and now stand at 47 per cent of net worth—a slight fall in gearing since September. The second half, which includes the peak months for soft drink sales, will most likely show a profit, but not enough to redress the present loss. Readfearn is going to pay an interim, but has decided to reduce it. Probably the most shareholders can expect in the short-run is a repeat of last year's halved final, for a yield of just under 7 per cent on yesterday's

reduces the pre-tax profit to a

loss of £756,000 and on the same

basis there was a loss per share

year and that in the current year

going in the wrong direction. Alpine will probably decide to

Alpine will probably decide to invest further here or to retreat altogether. The group is recognised to be acquisitive and is looking for further home orientated, probably energy related, constituents to the overall portfolio. DIY, it has now decided, and probably correctly, is far too tight and dominated by very much larger entrants. Cash, nevertheless, remains a solid

nevertheless, remains a solid

prop for the shares which, un-

changed yesterday at 80p, are supported by a well covered maintained dividend offering a 9.7 per cent historic return. The

yield has just about halved since the double-glazing warning was first sounded and that may be

about right, in the light of a

and asks for £1m

HIGHER UK earnings led to a 37 per cent rise in taxable profits at Geers Gress, one of two publicly quoted advertising agencies. The company reports a pre-tax surplus of £1.135m for the year to December 31, against £827,000. Group turnover rose 27 per cent to £46.3m. compared with £36.4m.

The company is also making a film cash call by way of a rights issue of 1,187,119 new ordinary shares of 10p each at 90p per share on the basis of one new share for every six the register as at June 11, 1981. Mr. Charles Hoare, the chair-Nat profit man, said yesterday:

raising the money to pay off the balance of borrowings on our Manoff acquisition and the whole of our Landey acquisition borrowings." Both of these were medium-term loans for U.S. acquisitions; they amount to £888,000, of which £420,000 is in sterling.

Around £150,000 would be left over after Geers had repaid its medium-term loans, said Mr. Hoare. This would be used for working capital and expansion of the business.

Geers yesterday also announced a 33 per cent rise in its total net dividend for last year, bringing the payment to 4p (3p). After the rights issue has been completed, the com-AS EXPECTED, profits of for improvement in the group's a fall in turnover from £66.63m Selincourt, the textile and environment does not to £57.58m.

garment manufacturer, fell back materialise. Stated earnings per 5p share. pany plans to at least maintain this dividend on the increased emerged down from 3.14p to

written by Sheppards and Chase and is subject to shareholders approving an increase in the company's authorised share capital at a special meeting scheduled for June 19. A circular letter from the chairman is

May 27. The shares in the

climbed 7p yesterday to 110p.
1993 1973
5000 6000
Turnover 40,288 35,430
Trading profit 1,298 221
Interest 164 34 Trading profit Pre-tax profit

comment Geers Gross appears to be

making the most of a good set of figures to help rid itself of term borrowings. The rights issue is light and is unlikely to lead to any major acquisitions.

After having acquired a couple of New York agencies in the past 18 months, the group spent the second half of last year digesting and amalgamatine Geers says the recession actually benefited UK profits, which accounted for £600,000 of the 1980 pre-tax total. The ex rights yield is a little above 5 per cent and the fully taxed p/e is 11.2 at 110p. suggesting that the market is aiming for con-

Slough Estates optimistic SHAREHOLDERS of Slough cult to translate these into firm

Estates, the property develop-ment group, were told yesterday The directors say that trading that the results for the first quarter of this year were up to conditions, if anything, worsened during the second half of the

Speaking to the annual general meeting, Mr. Nigel Mobbs, chairman, said he expected further growth this year, although trad-ing conditions were still difficult. with a low level of demand, par-ticularly in the UK, for industrial

lettings. "We are, however, sufficiently encouraged to contime with a prudent level of new development . . .

The group has started work in Canada and the U.S. on further construction and is looking for additional land to complement its existing portfolio. The shareholding in Bank America Realty Investors in the U.S. has been disposed of at a satisfactory

furniture division is awkwardly provement in the current level up from £10.07m to £11.43m for going in the wrong direction. of inquiries though it was diffi-

New date set for Argyll hearing THE COURT appearance of the Counsel to present its defend

directors of Argyll Foods, who the Department of Trade, has been adjourned until the middle of June when Argyll executives will appear at Penarth, Gwent, Magistrates court.

Argyll is denying the allega-tions made by the department that its accounts for the year ending December 1979 did not comply with the provisions of the relevant sections of the 1948 Companies Act. The food com-pany says it has engaged Queens

received summonses early last month after a surprise move by the Department of Trade has The accounts of Morgan Edwards, a Shrewsbury-based Spa grocery chain, were con-solidated with that of Argyl but its trading results were ex-

Directors of Argyll, which is headed by former Fine Fare chairman, Mr. James Gulliver. said the summonses came "as a bolt from the blue." They understand the maximum pensity on conviction would be \$400.

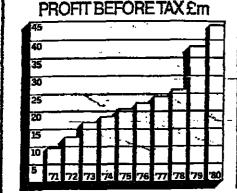
EF Larmac Group ...best ever results

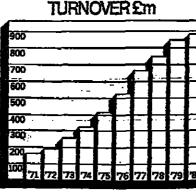
Profit before tax up 16% to £44m

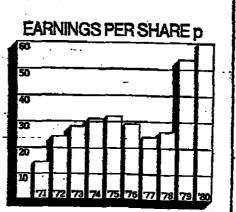
Turnover up 6% to £884m

Earnings per share up 13% to 60.2p

"The Group, which is now broadly based. has demonstrated its ability to contend with the problems of the recession. Our current aim is to direct efforts into those channels which offer the best opportunities for growth in the medium term. There are no easy options but I view the future with optimism." Mr Eric Pountain, Group Chief Executive.







Quarrying, Road Surfacing, Building Products, U.K. and International Construction. Housebuilding, Property Development, Industrial Activities, North Sea Interests.

Copies of the 1980 Report & Accounts are available from The Secretary, Tarmac Limited, Ettingshall, Wolverhampton WV4 6JP.

bulwark to overall profitability its next major growth target.

Statement of the Chairman, Mr. T. S. Hohler, M.C. to be presented at the Annual General Meeting of the Company on 11th June 1981

Your Company amounces a very satisfactory profit in difficult and uncertain conditions which I feel does credit to your Management.

During the past year there has been a sharp decline in M.L.R. from a peak of 17% to its current level of 12%. Trading has been highly profitable although markets have tended to discount downward movements in M.L.R. well in advance. It has therefore been necessary to adopt an active dealing policy to avoid running losses on longer instruments.

The second half of your Company's year has featured a decline in the importance of the Treasury Bill, as the Eligible Bank Bill has taken over the central role in the Bank of England's money market operations. Whilst your Board welcomes the increased activity in commercial hills there has been some contraction m margins.

The business of your subsidiary company, King & Shaxson Fund Managers Limited, continues to develop, and a new company has been established in Singapore in order to offer our gilt edged management services to residents in the major countries of that. area, one of the fastest developing parts of the Far East.

Your Directors recommend that a final dividend of 4-75 pence per share, making a total of 5-75 pence per share on the Ordinary shares of 20 pence should be paid out of a net profit of £915,229. This profit is struck after a substantial increase in inner reserves. A transfer of £200,000 has been made to General

It is harder than ever to make confident predictions for the forthcoming year. Sterling interest rates seem unlikely to fall in the near future against a background of higher American rates and a consequent weakening of the Pound against the Dollar. Your Directors feel that volatile conditions abroad may well be mirrored here and that they should take a cambous approach to

steady, albeit slow, start to re-about right, in the light of a covery this year. Dolphin's volatile consumer spending perprogress has proved a comforting spective until the board identifies Local authority yearling bonds total £16.5m

Yearling bonds totalling £16.5m at 12‡ per cent redeemable on May 26, 1982 have been issued this week by the following local authorities: issued this week by the following local authorities:—

Bromley (London Borough of) (£1m); Huntingdon DC (£0.5m);
Lothian Regional Council (£0.5m): St. Helens Metropolitan BC (£0.5m): Tanworth (Borough of) (£0.5m); West Somerset DC (£0.5m); Hyndburn (Borough of) (£0.5m); London (Corporation of) (£1m); Chesterfield (Borough of) (£0.5m); Glasgow (City of) DC (£1m); Copeland BC (£0.5m); Cambridgeshire CC (£0.5m); Chelmsford BC (£0.5m); Dudley Metropolitan BC (£0.5m): Cambridgeshire CC (£0.5m): Chelmsford BC (£0.5m): Dudley Metropolitan BC (£1m): Hereford (City of) (£0.5m); North Tyneside Metropolitan BC (£1m): Preseli DC (£0.5m); Swale BC (£0.75m); Aberdeen (City of) DC (£1m); Haringey (London Borough of) (£2.5m); Newbury DC (£0.25m); Northampton BC (£0.75m).

Swale BC has issued £0.75m of 13% per cent bonds at par of 13% per cent bonds at par redeemable on May 18, 1984 and Vale Royal DC has issued £0.5m

launched for Hydro Ouebec The seventh domestic sterling

£40m bond

The seventh domestic sterling bond for a foreign borrower is for Hydro Quebec, a £40m "bulldog" issue through S. G. Warburg. This issue is being arranged in the form of a placement which matures in 2011: It carries a coupon of 15 per cent and has been priced at 96‡ to yield 15.51 per cent, which is 125 basis points above the mean between the yield available on Monday night on two gilt-edged stocks maturing respectively in 2003 and 2004-08. Trading on this issue will start today. (This corrects an inaccurate report corrects an inaccurate report printed yesterday.)

Whitbread Inv. tops £4m

Taxable profits of Whitbread Investment Company improved from £3.52m to £4.07m in the 12 months to March 31, 1981, followed the first state of the lowing a £349,920 advance at the interim stage.

The total dividend is being stepped up from the equivalent of 3.6667p after allowing for the one-for-two scrip issue to 43p net by a final of 2.85p

Nathan incurs £0.7m loss

Furniture manufacturer the red and reported losses of B. and L. Nathan plunged to a pre-tax loss of £705,352 for the year to December 26, 1980, compared with a profit last time of £572,068. Turnover slipped from £8.41m to £6.85m.

The directors have not decreased and reported losses of £438,000, against profits of £302,000.

The taxable loss was struck after higher interest charges of £209,153 (£107,568). Redundancy costs amounted to £30,543 (nil) and there was a simple on the

of 13f per cent bonds at par redeemable on May 18, 1983.

The directors have not de-clared a dividend and they say it is too early to anticipate the it is too early to anticipate the modest increase in sales necessary to restore profitability. In the previous full year, the group paid a net total dividend of 4p.

At the half-way stage, the group had already dipped into

and there was a surplus on the and there was a surplus on the sale of investments of £66.153 (£5,934). Tax took £304.871 (£297,938) leaving attributable losses of £400,481 (profil £274,130).

The loss per 25p share was 21.39p compared with earnings last time of 14.88p.

to far

SHARES IN William Leech and shareholders' approval to issue Bellway were suspended yester-day as the two Newcastle-based housebuilding groups announced that they were involved in dis-cussions which may result in a merger. A further announce-

merger. A further announcement, they said, will be made as soon as possible.

Suspended at 88p, Bellway is capitalised at £11.4m while Leech has a market value of £13.65m at the suspension price of 91p. Details of the merger have not been disclosed but it appears that the talks have already reached an advanced stage. Shareholders should be already reached an advanced stage. Shareholders should be able to see the fine print of the two groups' proposals shortly after the forthcoming Bank Holi-

after the forthcoming Bank Holiday.

Given the similarity in size, operation and location of both Leech and Beliway it is possible that a new holding company would be formed to effect the marriage to which each side would subscribe a fixed proportion of equity.

It is, perhaps, more likely that one company will ask for its

after Barratt, another residential

onation of management re-sources from top to bottom.

"We have tried to do this several times before," he added, but pointed out that a merger had not been considered prac-ticable until Bellway had split out its commercial property investment interests through the creating of North Beltith Proper-

merger would probably interest charges. Spurred by create the fourth largest private the determination to extend their housebuilder in the country geographical spread hath added extensively to their land banks and have consequently suffered a heavy degree of

income gearing. In the year to end-July last year, profits from Bellway fell by more than a quarter to £2.74m after a near-threefold rise in debt servicing costs to £932,000. It has, is the meantime, trimmed or disposed of its uncomfortable operations in France and

Leech has exemplified the confidence recently held by the housebuilding sector. In a month which saw a major rights issue from Barratt Developments and plans to create a new quoted creation of North British Properties early in 1979.

The housebuilding markst has been difficult since the spit. Belivay claims that it has gained further peneiration of the steady and lucrativa South East market if the steady and lucrativa South East market if the steady and lucrativa south East market in the straight East and the straight

Australia.

shareholders' approval to issue than its potential partner, but six months to February 28 last new shares with which to acquire the performance of both have Interest costs amounted to the other group.

A merger would probably interest charges. Spurred by previous 18 months, Leech produced £3.55m before tax.

The group held on to its divi-dend, explaining that the market had been improving rapidly in the early months of the current calendar year—starts were up by 50 per cent in the first four months. Confidence throughout the industry had been bolstered by falling interest rate prospects in the first quarter, the strong probability that year-on-year building cost inflation would fall materially after the mid-year wage round and hopes for wider margins.

Recent evidence, no more than anecdotal, suggests that the householding market has been thrown into reverse by the effect on sales of resurgent interest rate doubts, a tight Budget and the inexorable rise of unemployment.

Through this merger, analyst suggested yesterday. the two companies are popling

Ward now holds 40% of Tunnel

Thus. W. Ward lifted its stake in Tunnel Holdings, for which it has just increased its strongly has just increased its strongly opposed bid, to around 40 per cent of the voting rights yesterday as it bought more shares in the market.

Through W. Greenwell, its stockbroker, Ward purchased around 5 per cent of Tunnel's equity in the form of "B" shares to add to the 124m (55 per cent

to add to the 1.34m (5.6 per cent of total shares) bought on Tuesday as it raised its bid. Ward's latest terms in cash and shares, with an underwritten cash alternative, value Tunnel. predominantly cement company with speciality chemical

activities, at nearly £110m.
Ward's merchant bank
advisers, S. G. Warburg, said
the price paid for the shares
bought on Tuesday was 435p, the
value of the cash alternative. Tunnel shares eated by 1p to this level yesterday, with Ward's down 2p to 114p.

With the shares Ward already owned—nearly 26 per cent of the total, giving it 28.9 per cent of votes—this brought its holding up to 31.4 per cent (35.15 per cent of voting rights).

Yesterday's purchases, some from institutional shareholders of Tunnel, brought Ward's. Before raising its bid. Ward received only a small shares with institutional inves- Fothergill was up from £206,000 amount of acceptances for its tors. This move followed a series to £231,000. For the whole of

More Collins' shares for

News Intnl. International has picked up a further 18,645 ordinary shares in publishing group William Collins, for which it is bidding. These were bought at its offer price of 200p, well below the current level of the shares in the market.

This brings its holding up to 1.27m or 30.8 per cent. Yester-day, Collins' shares closed at 250p, down 10p, with the non-"A" units, for which News is bidding 150p, down by

13p to 152p. Mr. Philip Exberg, a News International director, said the shares had come from a member of the family of Mr. Jan Collins, the former Collins chairman who sold his family shares to News. This shareboder had not been available when the original deal was done prior to the bid.

EXCHEQUER STOCK

The Treasury will make no conversion offer in respect of holdings of 91 per cent exchequer stock, 1981, the Bank of England has announced. This stock will be redeemed at par on August 4, 1981.

Jones Stroud lifts stake in Fothergill Harvey to 23.19%

Janes Stroud (Holdings), a manufacturer of fabrics for the textile and electrical industries, has again started buying shares in Fothergill and Harvey, the fluor-carbon based products, fibre reinforced composites and industrial textiles group, for which it made an unsuccesful £4m bid in 1973.

Stroud has accurred a further

Stroud has acquired a further 411,256 shares (3.4 per cent). Stroud has acquired a further
411,256 shares (3.4 per cent),
which at yesterday's price of
141p (close to the year's high)
values them at £580,000. These
shares, together with those it
acquired under Fothergill's
recent rights issue, takes Stroud's
total holding up to 2,832,180
shares (23.19 per cent) with a

TODAY
Interims — Associated Engineering.
Combrian and Gensyal Securities. Construction Holdings. Lloyde
and Scottish, Leads and District Dyers
and Finishers. Moriand, Fantland
McDougell,
Spencer Clark Metal
languages.
Finale—Boots, Bramer Trust, Fidelity
Radio, Foster Brothers Clothing, Indusvalue at £4m.

Strond said yesterday that "it. Strond said yesterday that "it-does not intend buying any further shares in Fothergill in the foreseeable future." Strond launched its bid for Fothergill in October 1973 after picking up 21.58 per cent of the shares through the purchase of the 50 per cent of Textilgias it did not already own. The bid was fiercely contested and lapsed in the December Own the next in the December. Over the next three years Stroud steadily raised its stake in Fothergill to

38.22 per cent. In 1977 Stroud cut its holding in Fothergill to 24.7 per cent by way of a placing of 730,000 shares with institutional inves-

BOARD MEETINGS trial and General Trust, Kwik-Fit (Tyres and Exhausts), Portsmouth and Sunderland Newspapers, Scott and Robertson, Weeks Associates, FUTURE DATES

•	Martin The Newsagent	Juna	1
•	Stakus (Reo)	May	26
	Finals:—	•	
	British Syphon Industries	May	28
	Brenning	May	泵
	Coalite	hma	7
•	A-I-IL /4 1		~~
-	Galdberg (A.)		
	Headlam Sims and Coggins	May	22
•	Helicel Bar	May	28
	Levez	Mev	22
١.	M and G Group'		
ı	M and G Second Dual Trust	May	28
	Pegler-Hattersley	June	10
,	Rowlinson Constructions	June	3
٠.	Triefus	7	
•	. I Ueses	Anus	~

of talks between Mr. Philip Jones, chairman of Jones Stroud, and Mr. James Jordan, chairman of Fothergill. It was then made was being held as a long term investment. Mr. Jones joined the Fothergill board as non-executive director. Hit by losses of £315,000 from

its J and J Cash (labels and nametapes) subsidiary, Stroud's pre-tax profits fell from £1.06m to £585,000 in the half year ended September 30, 1980. The contribution to these results from the group's holding in

1978/80 Stroud's profits fell from £2.79m to £2.06m, after a contri-bution up from £362,000 to £446,000 from Fothergill, which clear that the remaining stake is treated as an associate company in the accounts. Fothergill last

announced a £2.5m rights issue to part finance the acquisition of H. D. Symons, a manufacturer of flexible electrical insulating products, for £4.9m. At the same time it announced 1980 results showing profits down from £2m to £1.8m. The chairman said in his annual report that "it was difficult to foresee any signif-

Ouest acquires computer group

ing the Genesys computer programme company from the National Research Development Quest, which is hoping for a full Stock Exchange quotation, has issued 267,000 of its shares to pay for Genesys, and these have been placed by stock-brokers N. Nivison at 2001p each

with institutional clients. Quest, which says it is the largest European manufacturer of CAD equipment, is established in the electronics CAD industry and core the Control of the Canal of t industry, and sees the Genesys purchase as helping to broaden its penetration into the construction sector. Quest also plans to enter the mechanical engineer-

ing market.

Genesys became part of the NRDC in 1974, having been formed to help establish CAD techniques in the civil engineering and construction industries. It has net tangible assets of about £400.000.

Mr. Tony Ebel, Quest's managing director, said the company would not see any benefits from the acquisition until the second year of ownership.

He said Genesys had made

The management and under-writing of Korean Insurance

Quest Automation, the Dorset major sales overseas in Holland, Company (UK), a subsidiary of based maker of computer-aided design (CAD) equipment, is buywell as South Africa and South Seoul, will be transferred from Lyon de Falbe Underwriting KOREAN INSURANCE Agencies to C. T. Bowring Underwriting Holdings on July

Today's company meetings

Bemrose Corporation, Abercorn Rooms, Bishonsgate, EC.
11.45. Rifurcated Engineering, Mandeville Road, Aylesbury, Bucks, 12. Cadbury Schweppes, Grosvenor House, Park Lane, W. Grosvenor House, Park Lane, W.
12. Callender (George M.),
Winchester House, 100 Old Broad
Street, EC, 11.30. Carpets International, Carpet Manuf. Company, Mill Street, Kidderminster, 12.30. Charterhouse
Petroleum, Connaught Rooms,
Great Queen Street, WC, 11.30.
Clayton Son, Queen's Hotel.
Leeds, 2. Delta Group, Waldorf
Hotel, Aldwych, WC, 12. Glynwed, Headland House, Sheldon,
Birmingham, 3. Greenbank Inds.,
Saxon Inn Motor Hotel, Yew
Tree Drive, Blackburn, 3.30.
Henriques (Arthur), Midland
Hotel, Manchester, 12. Jamesons
Chocolates, Willoughby Lane. Chocolates, Willoughby Lane, Tottenham, N, 230. Jerome (S.).

Johnson Group Cleaners Adelphi Hotel, Liverpool, 2 Maenolia Group (Mandal Post House, Bramhope, 12.30. Johnson Group Cleaners, Maenolis Group (Mouldings), Sutton Road, Rochford, Essex, 12. Marshall (Thomas), Tapton Masonic Hall, Shore Lane, Fullwood, Sheffield, 12. Morrison (Wm.) Supermarkets, Hilmore House, Thornton Road, Bradford, House, Thornton Road, Bradford, 11. Ofrex Group, Ofrex House, Stephen Street, W. 11. Portals, Howard Hotel, Temple Placs, Strand, WC, 12.30. Provident Life Association of London, Abercorn Rooms, Liverpool Street, EC, 12. Reckitt Colman, Connaught Rooms, 15 Great Queen Street, WC, 11. Shell Transport Trading, Shell Centre, SE, 11.30. Standard Telephones Cables. Chartered Insurance In-Cables, Chartered Insurance In-stitute, 20 Aldermanbury, EC, 12. Supra Group, Marble House, Theatre Street, Warwick, 12.

EUROPEAN OPTIONS EXCHANGE F.52.40 7.30 5.20 1.70 1.50 F.21,40 F.93.20 T.152.50

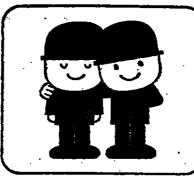
CONTRACTS

TOTAL VOLUME IN

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BP BP Com. Union Coms. Gold Cons. Gold Cons. Gold Cons. Gold Cons. Gold Courtaulds Courtaulds	350 430 140 180 180 500 550 588 558 50 60 70	58 20 26 5 127 57 52 14 5 17	2 15 5 8 17 32 13 10 5	89 36 31 10 135 72 43 18	5 2 1 5 - 14	84 52 53 14 	- 3 5	398p 158p 536p
Gourtaulde GEC GEC GEC GEC GEC Grand Met. IGI IGI IGI IGI IGI IGI IGI IGI IGI IG	550 500 650 700 220 240 240 250 350 350 350 450	110 50 51 51 52 52 52 52 52 52	1 3 35	158 82 55 17 94 44 80 1714 38 25 11 14 15 44 17 18 18 18 18 18 18 18 18 18 18 18 18 18	29	73- 43- 40- 32- 40- 32- 32- 32- 32- 32- 32- 32- 32- 32- 32	3 - 1 1 - 1 - 1 - 1 - 1 - 2 - 1 - 1 - 1 -	197p" 284p 403p 135p
		May		Augu		Novemb		
Barelays Bk. Imperial Gp Imperial Gp Imperial Gp Lasmo Lasmo Lasmo Lasmo Casmo P&O	70	112 3 45 10 3 12 12 12 14		20 81 ₂ 31 ₂ 87 58 57 101 ₂ 17 ₄ 13 ₁ 31 ₂	1017 81 14 10	25 913 415 115 85 60 1312 2314 12 6	2 1025	405p 72p 592p 132p
Racal Elec. Racal Elec. Racal Elec. RTZ RTZ RTZ RTZ RTZ RTZ	350 350 390 420 460 494 500	35 9 1 ₂ - 55 15	3 44 6 - 28 28 - 24	58 32 17 140 105 70 36	61 93 4 81 68	65 45 29 150 115 	8521	365p 544p

LONDON TRADED OPTIONS

Bellway and Leech in merger talks Presenting a ursuccesstul tigures.



The famous Homeoride Flour Goders.



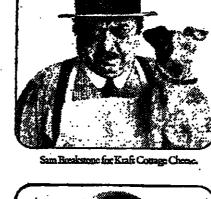
KP-Britain's No. 1 Not.



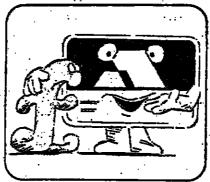
Lauren Bacall for Fernaneff-of New York.



The Buttermen-for Country Life English Butter.

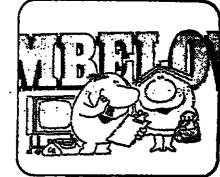






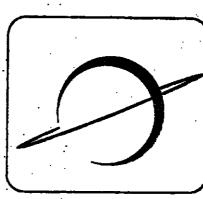
Mr Access-the talking credit card.







"Family Sam"-host of the 1400 "No Place Like Sam's"



From the planet Zamusi-the appliance of Science.



Aldo Cella-who took Cella wine from the cellar to

Presenting

1980 Financial Highlights

Turnover	£46,286,000 \$106,458,000	up 27.1%
Profit before tax	£1,135,000 \$2,611,000	up 37.2%
Profit after tax	£707,000 \$1,626,000	up 70.8%
Earnings per share	10.98p	up 41.6%

ERSGROSS

Advertising LONDON-NEW YORK

Dow in

\$1.5bn

Saudi

venture

Companies and Markets

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Canadians in \$215m joint Mexico offer for UA-Columbia

BY IAN HARGREAVES IN NEW YORK

By Our New York Staff DOW CHEMICAL the largest U.S. producer of basic chemicals, said yesterday that it has agreed to form a joint-venture with Saudi Arabian state groups to build a \$1.5bn petrochemical complex at Jubail in the eastern province of Saudi Arabia.

The venture between Dow and the Saudi state industrial and petrochemical companies is expected to entitle the U.S. group to access to Saudi crude oil. This move is similar to a num ber of recent deals between Saudi Arabia and major international companies involving large oil-related capital invest-

ment projects in the Kingdom Dow said that the joint-venture will produce 500,000 metric tons of ethylene a year from Saudi Arabian natural gas, This will be used as feedstock for production of 180,000 tons-ayear of polyethylene plastic

Construction of the \$1.5bn year and to come on stream in the middle of 1985.

Phibro plans to enter financial services market

By Our Financial Staff

PHIBRO CORPORATION, formerly a division of Engelhard Minerals and Chemicals, expects to profit immediately from any turnround in world economies without having to make substantial investments in plant and equipment. Mr. David Tendler, the chairman, told the Engelhard annual meeting.

Engelhard had proposed in March to split into two separate companies, to be known as Engelhard and Phibro. Phibro will consist of the Philipps Brothers division, a commodities trading com-

Phibro plans to increase its rate of growth in all the areas in which it is now active and is also interested in entering financial service-related mar-

Mr. Tendler expects that a combination of Phibro's merchant role with financial services can develop into a major

BRANCHES:

SUBSIDIARIES:

Barcelona, London, Los Angeles.

Curacao, Lavoro Bank Oversess N.V.

New York, T.I.E.C .- The Italian

Zurich, Lavoro Bank A.G.

Madrid, New York, Paris

BANCA

NAZIONALE

DEL LAVORO

cations, a large Canadian cable the \$80 a share the newspaper TV company joined with United Artists Theatre Circuit of the U.S. to propose a \$215m bid for UA-Columbia. UA Theatre, which already owns 27.6 per cent of UA-

Columbia, has been seeking for several weeks to find a way of blocking a takeover bid for UA-Columbia made by two of the largest newspaper chains in Dow Jones and Knight-Ridder.

variety of partial offers but the beat off the opposition.

THE BATTLE for control of link-up with Rogers, which is UA-Columbia Cablevision, the one of Canada's biggest cable sion company, hotted up yester- up with a full-scale bid of \$90 companies have offered.

UA-Columbia has already said it wants to accept the Dow Jones—Knight-Ridder offer but the company said yesterday it would study the new bid from UA Theatre and Rogers. Shareholders have not yet voted on the Dow Jones-

Knight-Ridder offer. view, the joint bid with Rogers TV programming, the Canadians is primarily a source of the are keen to use their experience-UA-Theatre has made a necessary financial muscle to in the much larger U.S.

But for the Canadian company, the move must be seen ninth largest U.S. cable televi- owners, has enabled it to come in the context of a strong push by Canadian companies to take day when Rogers Telecommuni- a share, which easily outbids a big share of the booming U.S. cable TV market. Canada because of its thinly spread population, has probably the most highly developed cable TV system in the world as early adequate picture

quality over long distances. Now that cable TV has taken on a new lease of life because From UA Theatre's point of of its use as a supplier of pay

Olivetti in U.S. deal with Savin

BY OUR NEW YORK STAFF

OLIVETTI, the large Italian petrochemical complex is office equipment company, plans scheduled to begin early next to merge its U.S. subsidiary with Savin, a company in upstate New York which has built its reputation on aggressive marketing of Japanese-made

photocopiers.

The deal, which has to be approved by boards of both companies, requires Savin to issue a mixture of common and preferred stock worth about \$70m, which will be used to buy out Olivetti Corporation, the U.S. division of Olivetti. The result will be a new com

pany, Savin Olivetti, in which Olivetti will be the largest stockholder with a 30 per cent

Olivetti would have to agree aggressive marketing organisa-not to try to increase its stake in the new company for five Savin stressed the importance

executive of Olivetti and two company will be run, however, only \$104m at the end of Januby Savin's current management, ary) have led to rumours that Although there is much puzzlement about the deal, Olivetti justified it as a way of improving U.S. marketing of its products, which include word processors and typewriters.

Mr. Carlo de Benedetti, chief

of gaining access to Olivetti's Wall Street was that this could European distribution channels change easily. European distribution channels for the copiers Savin will start for the copiers Savin will start to manufacture next year. ·Savin's declining profitability fellow directors will join the and rising debt (long-term debt hoard of Savin Olivetti. The was \$143m against equity of

the company would be taken

\$28.3m on sales of \$356.5m. Olivetti Corporation has also undergone radical restructuring changes recently, enabling "Savin is an ideal partner for it to forecast a profitable year both its innovative capabilities in 1981. Its sales were \$145m in copying and for its very last year.

Visa to introduce premium card

BY ALAN FRIEDMAN

The new card will be similar to the American Express Gold Card and will challenge it directly. It will be offered to wealthy private customers. Mr. Dee Hock, president of Visa, said yesterday that American Express had set the standard for premium card service in the past.

ments systems group, is to offer—and providing several introduce a worldwide "pre- they may not be able to duplimium " card on November 1. cate." he claimed.

The new card will offer members automatic overdraft facili- years," he added. ties, personal cheque cashing privileges at travel and entertainment locations, guaranteed hotel reservations and corporate card arrangements.

the market within five years. "We expect to capture 15 per cent of the market in the first year and 50 per cent within five

The move by Visa is one of a series of new product developments in the world of travellers cheques and plastic cards in recent weeks. Mastercard, the third major global payments Mr. Joao Ribeiro da Fonseca, systems group, is also launching.

VISA, the international pay- or exceeding every service they become the dominant force in

president of Visa's European an "affluent" card, designed to the past. operations, said he hoped the compete with the American Our plans call for matching Visa premium card might Express Gold Card.

The Board of Directors of the Bank, presided over by its Chairman Mr. Nerio Nesi, submitted to the General Assembly of participants the Bank's Annual Report for 1980. Meeting for the first time this year in observance of the Bank's revised By-Laws, the General Assembly approved the report on April 30, 1981.

The report starts with a short overview of world developments and calls particular attention to the increasingly important role played by banks in the world-wide recycling of the oil surplus—thus partly compensating for the inadequacies of the International Monetary System. The deteriorating external position of non-oil developing countries, the report notes, calls for a better co-ordination of economic policies at the highest level and for new forms of international banking co-operation. Inflation and energy are still the major issues confronting the world today. The failure to solve these problems is causing uncertainty and uneasiness which are retarding progress toward European monetary integration.

As regards domestic developments the report dwells at length on some adverse trends observed during the year, such as a decline in savings, a significant shift of clients' deposits into short-term Treasury Bills, and tighter credit restrictions. The need for banks to manage a likely

BNL-Sections

1.575.3

7,437.8

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25.043.1

process of disintermediation prompts the report to suggest appropriate strategies.

Though hampered by credit controls and by this shift of deposits away from banks, the growth of BNL activities accelerated, in 1980, and profits rose sharply.

At the end of the year, deposits from clients and correspondents amounted, for the Bank, to the equivalent of US dollars 37,706.7 million, or, in terms of lire, 24.7% more than a year earlier. Total deposits for the entire

BNL-Group amounted to US dollars 42.355.3 million (+23.7%). Loans to customers and correspondents increased by 17% for the Bank, and by 16.8% in the aggregate, for the BNL-Group. Securities held in the Bank's portfolio (including Treasury Bills) were

US dollars 11,849.0 million or US dollars 2,776.8 million more than a

At the end of 1980, the BNL-Group balance sheet total amounted to US dollars 94,460.9 million.

As a reserve for credit risks, BNL set aside in 1980 US dollars 191.7 million. The Bank's net profit for the year was US dollars

17.8 million, and that of the Group US dollars 37.4 million.

MAIN DATA FROM BALANCE SHEET

*Equivalents of the Italian line amounts converted

at the year and official rate of exchange (830.50)

LIABILITIES

Deposits

ASSETS

Securities

Capital and Surplus

Balance Sheet Total

Loans to Customers and

Cash and Banks

Correspondents

HEAD OFFICE: Via V. Vencto, 119—Rome (International Department: Via V. Veneto, 56—Rome)

Fund likely to be lifted to \$120m

By John Makinson

THE MEXICO Fund, the new investment vehicle for foreigners to buy shares in Mexican companies, seems certain to be increased to \$120m from the originally planned \$72m.

The fund's prospectus was released earlier this month and some underwriters have indicated that they would be unable to meet the heavy demand. This has led the managers to increase the offering, although they have also agreed to place an absolute ceiling of \$125m on the issue.

The fund, which represents first opportunity for foreigners to buy a broad portfolio of Mexican stocks. awaits final approval by the U.S. Securities and Exchange Commission. This is expected on June 2, about 10 days earlier than had been fore-

The SEC's approval will pave the way for an im-mediate listing of the fund's shares on both the London and New York stock exchanges.

Growing popularity of SDRs claimed

By Peter Montagnon, Euromarkets Correspondent

THE NUMBER of international banks active in business denominated in special drawing rights (SDRs) has doubled to around 30 since the International Monetary Fund simplified the composition of its currency unit at the start of this year.

This was stated in London yesterday by Mr. Lawrence Wragg, assistant director of Chemical Bank International, who is chairman of the London Banks SDR Working Party.
Mr. Wragg told a confer

ence on the commercial role of the SDR organised by Oyez International Business Communications that he estimated deposits of SDR's in the international banking system now total some SDR 5bn to SDR 7bn, although he added that there are no reliable statistics available. A curious twist to the

proceedings was added by Mr. Broome, regional treasurer of Shell International Petroleum. He claimed that his company, rather than the international banks themselves, had orchestrated the development of the SDR market.

The banks co-operated with sidered polite reluctance." he said. Mr. Broome did not disclose the extent of Shell's investments in special drawing rights but he did say that the amounts involved were very large.

Mr. Broome and a number of other bankers addressing the meeting also said that they were now convinced that the future development of a market in SDRs was assured, though he added that it would receive a boost in popularity through any decision by the IMF to raise funds on commercial markets or by OPEC to price oil in terms of SDRs.

NNA increases Mercantile Mutual offer

By Our Sydney Correspondent MUTHAT. MERCANTILE Holdings, the Australian In-

surance company, now recommends acceptance of a revised offer for half its capital from the local subsidiary of Nationale Nederlanden of Mercantile has withdrawn

its recommendation of a hid from Burns Philp, the diversified Australian trading company, made through its associate, QBE Insurance.

Nationale Nederlanden (Australia) in professional Australia. tralia) is now offering A\$6 for each Mercantile share, against A\$5.75 previously and

SWISS FRANC
STRAIGHTS

Aeroport Paris 6¹, 91 ... 60 ... 94¹, 94¹, ±0¹, ±0², 7.26
BFCE 5¹, 91 ... 60 ... 94¹, 94¹, ±0¹, ±0², 7.26
BFCE 5¹, 91 ... 100 ... 86¹, 96², ±0², ±1², 7.26
Bayer Int. Fin. 5¹, 92 ... 100 ... 88¹, 88², ±0¹, ±0¹, ±1², 7.62
Bayer Int. Fin. 5¹, 92 ... 100 ... 88¹, 96², ±0², ±1², 7.62
Bergen, City of 6², 91 ... 40 ... 86², 95², ±0², ±0², ±1², 8.91
Bergen, City of 6², 91 ... 40 ... 86², 95², ±0², ±0², 0 ... 6.91
Bergen, City of 6², 91 ... 40 ... 86², 95², ±0², ±0², 0 ... 6.91
Bergen, City of 6², 91 ... 40 ... 86², 95², ±0², ±0², ±1², 8.96
CECA 6², 91 ... 80 ... 80 ... 87², 38², ±0², ±0², 7.48
Donmark 5², 90 ... 100 ... 89², 5², ±0 ... ±0², 7.48
Donmark 5², 90 ... 100 ... 89², 20², ±0 ... ±0², 7.89
Elert. de France 5², 90 ... 100 ... 89², 20², ±0 ... ±0², 7.59
Elert. de France 5², 90 ... 80 ... 80², ±0², ±0², ±0², ±0², 7.54
Franc, Patroles 6², 91 ... 80 ... 90², ±0², ±0 (US\$111m). It is intended that Mercantile will remain a quoted company with its present management, although the hoard will be enlarged to inciude NNA directors.

valuing Mercantile at A\$97m

QBE has acknowledged defeat, withdrawn from the market and pledged half-or 1.06m shares—of its 12.5 per cent stake in Mercantile, or the entire amount if NNA should wish.

OBE will realise a minimum profit of around A\$3.4m (for 50 per cent of its holding) under the terms of the Duich bid and although this is taxable it can be largely offset by previous losses.

Mr. Larry Adler's FAI in-surances, which launched the initial takeover bid on April 21 at A\$4 a share, holds a further 8-10 per cent of Mercantile Mutual To further sweeten its bid

the Dutch insurer has allowed for Mercantile maintaining its yearly dividend at 20 cents a share. Neither the QBE or FAI offers allowed the divi-

\$50m fixed rate bond launched for General Telephone

announced this week was launched yesterday for General second-largest U.S. telephone on a yield basis of 151 per cent. utility, through Orion Bank. The two FRN issues announced on Tuesday, for a coupon of 15% per cent hand has been priced at par.

market made nervous by the the terms offered were tight for a second-line corporate name. Bondholders will have the option every half-year of con-verting their paper into 15-year, 14 per cent bonds.

The \$50m five-year issue launched for Swedish Export Credit on Tuesday was priced at 99! yesterday to yield 15.90 per cent by the lead manager, Morgan Stanley. If the selling group discount, which is available to institutional investors. is taken into account, these bonds yield 16.21 per cent. vesterday with some Canadian

names losing up to 1-1 point. Of the other issues on offer in the fixed interest sector of the dollar market, the 151 per cent bond to 1988 for the City of Winnipeg and the 151 per cent bonds lost tof a point yesterday

BY OUR FINANCIAL STAFF

Companies (ABC) has seen

encouraging signs of a recovery

in the broadcast advertising

However, there were still

annual meeting.

DEUTSCHE MARK STRAIGHTS

SWISS FRANC

STRAIGHTS VIEY

OTHER STRAIGHTS IS
Beil Canada 10% 36 CS
CIBC 13% 85 CS
CIBC 11% 85 CS
CIBC 11% 85 CS
Faderal Dev. 11% 90 CS
Fst. Can. Inv. 10 54 CS
R. Bk. Canada 10 86 CS
Tordom Cpa. 13% 85 GS

ABC sees market upturn

market place in the past few so cents last year. Mr. Goldenweeks, Mr. Leonard H. Goldenson, the chairman, told the not believe that the first quarter

several questions to be resolved In 1980, the company earned before results for the full year \$5.18 a share.

Change on sued Bid Offer day week Yiold on 97% 97% - 0°; + 0°% 10.41 50 85% 87% - 0°% 0 10.18 50 86% 87% - 0°% 0 10.28 50 86% 87% - 0°% 0 10.06 50 88% 95% - 0°% 0 10.20 10.36

results.

AMERICAN BROADCASTING could be determined.

THE FIFTH fixed interest bond to 1986 for Tordom Cordollar Eurobond issue to be poration appear to be getting a hetter reception than the Hiram Walker issue to 1986 which was Telephone and Electronics, the offered to investors on Tuesday

European Asian Bank and Banco Nacional de Desarollo appear to Immediate reaction, in a be doing well. The £40m narket made nervous by the "bulldog" issue to 2011 for large volume of new issues Hydro Quebec which is offered announced on Tuesday, was that to investors on a yield of 15.51 per cent is priced at 961 and includes a coupon of 15 per cent It starts trading today.

In the Eurosterling bond sector, a £50m 15-year convertible bond for Nissan Motor was launched last night through S. G. Warburg. It carries an indicated coupon of 6 per cent. Conditions in the D-Mark foreign bond market remain fragile with seasoned issues losing I of a point. It is far from sure that Dresdner Bank will be able to launch the DM 100m issue for Sweden it is planning Seasoned fixed interest dollar for later this week. The bond prices lost 2 of a point domestic D-Mark bond market was very weak yesterday and the Bundesbank was forced to intervene, buying DM 15m of paper during the day, despite the rise in German rates.

Belzbergs bid for Canada Permanent

By Robert Gibbens in Montreal FIRST CITY FINANCIAL Cor. poration, the fast-growing Canadian investment group owned by the Belzberg family of Vancouver, is offering to buy all the common and preferred shares of Canada: Permanent

and the controlling shareholder of Canada Permanent Trust. Canada Permanent is the third largest trust company in the country, and its shares are widely held. Its own assets exceed C\$5.5bn (US\$4.6bn) and assets under management are

Mortgage Corporation of

Toronio, one of the country's

largest financial institutions

around C\$10bn The transaction is by share exchange and the effect could reduce the Belzberg family's control of First City to less than 40 per cent from the present 80 per cent. The value of the bid is about C\$300m (US\$250m). First City would have to find about half this sum in cash to pay off preferred stockholders of Canada Permanent.

Conoco in **HBOG** talks with Canadians By Our Financial Staff

CONOCO, the ninth largest U.S. oil company, is talking to six Canadian companies interested in buying its 53 per cent stake in Hudson's Bay Oil and Gas (HBOG), Mr. Samuel Schwartz, senior vice-president of Conoca,

He said that none of the six has submitted a bid for the HBOG stake and declined to identify any of the six. Connen is vigorously opposing

a bid by Dome Petroleum, largest of the Canadian private sector oil explorers, to acquire for US\$910m a 13 per cent stake in Conoco as a means of obtaining control of HBOG.

FT INTERNATIONAL BOND SERVICE

ABC recently reported 1981

first quarter earnings of 45

cents a share, compared with 86 cents last year. Mr. Golden-

is indicative of the full year's

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Thursday, June 11. Closing prices on May 20

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	U.S. DOLLAR		Change on	M. Bk. Dnmk. 9 91 EUA	25	891, 901	-0% - 1% 10.	į
	STRAIGHTS	Issued Bid	Offer day wask Yield	SOFTE 84 89 EUA	40-		+0, +0, 10	
	Am. Ar. 154 86 (WW)		991 - 01 + 01 15.36	U. Bk. Nwy. 91, 90 EUA	18	962, 98	0 -04 8.	
	Amoco 1314 88	75 93	93101-11-14.87	Algemene Bk. 10% S6 F1	60		-0% +0% 11.	
	CIBC 1412 84		977 -01, +11, 15.53	Bk. Meas & H. 10 85 FI	75	961, 961, -	-01 +01 11.	78
	CNE 121 91	100 863		Heineken NV 10 87 Ft.	100		-0% +0% 11.	
	Citicora 0/8 Fin. 10 86			Nat. Nedrind: 10 88 Fi	60		-04 0 11	
	Citicorp 0/S Fin. 12 87	200 87		Ned, Midd. Bk. 10 85 FT	75		-0" +0" tr.	
Į	Con. Illinois O/S 9% 86	150 811		Pierson 10% 86 Ft	5Q		-0'- +0'- 11	
i	Dupont Canada 131 91	65 921		Air France 141, 26 FFr.	200		-01 -01 16.9	
i	EEC 11 95 (August)	70 77		Bk. America 141, 86 FFr	250		-01- 16.	
	EIB 121 39	75 871		Charb nages 137 85 FFr	400		-17 -2 16	
- 1	Eldorado 131 88	50 921	931 -03 +05 15.41	EIB 141, 88 FFr	300		- 14 - 24 16	
- 1	Figs. de France 10 88	125 77	784 -04 +1 15.23	La Redoute 14% 85 FFr	125		-0'14 16 (
j	Elec. de France 13 88	125 901	914 -012 +07 15.22	OKB 14 86 FFr	400		-O\ - 1\ 18.2	
i	Export Dv. Cpn. 912 86	150 80	80° -0° +0° 15.61	Solvey et C. 14% 86 FFr	200		0 - 17 14 1	
ı	Fed. Bs. D 124 85 (N)	50 903	907 -01 +11 15.21	Swed. Ex. C. 14% 85 FFr	250		-01 - 17 18 (
1	Fin. Exp. Credit 10 2 85	50 83		U. Mex. Sts. 14 85 FFr	150		-04 - 13 16.4	
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- !	Ford Credit O/S 14% 83		974 -04 +1 15.96	Beneficial 14% 90 E	20	90 90½ -	-01, -01, 16.2	28
ı	Ford Cr. O/S Fin. 18 84		1011, -01, +14, 15.42	BNP 1312 91 E	15	927, , 93°,	0 -04 74.6	
1	Gaz de France 1312 86		95 -01+01/15.08	CECA 131, 88 E	20	94 943	0 +01 14,7	74
Į	GMAC 0/S Fin. 12 87-	. 100 86\	15.39 رب1÷ 104 –867	Citicorp O/S 131: 90 €	50	93 94 -	-01 +01 14.6	57
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- 1	Gen. Mtrs. 0/S 114 87		86° -0° +1° 15.17	Gen. Elec. Co. 121: 89 €	50	91 914 -	-0% +0% 14.3	ю
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ì	Nova Scotis 10% 90		.79% -0% +1% 15.02	Banobras 81 90 KD	.7		0 0 88	
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1	Duebec Hydro 111, 92	100 784		Akzo 9% 87 LuxFr	500		04 +05 12.5	
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*No Information available—previous day's price,

† Only one market maker supplied a price.

† Only one market maker supplied a price.

Streight Bonds: The vield is the vield to redemation of the mid-price; the amount issued is in multions of currency units except for Yen bonds where it is in billions. Change on week — Change over price a wook garker.

Floating Rate Notes: Denominated in dollars unless otherwise indicated Coupon shown is minimum. C.dits—Date next coupon becomes effective. Spread—Marpin above six-month affered rate (‡ three-month; 5 above mean rate) for U.S. dollars. C.cpn — The current coupon. C.yid—The current vield

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chy day — Change on day. Cny. date—First date for conversion into shares. Cny. grice—Nominal amount of hand per share excressed in currency of shere at conversion rate fixed at Issue. Prem —Porcentage premium of the current effective price of the shares.

BM	

REPRESENTATIVE OFFICES: Atlanta, Beljing (Peking): Brussels, Buenos Aires, Caraces, Chicago, Frankfyrt/M, Hong Kong, Houston, Kuala Lumpur Mexico City, Montres Peris, Rio de Janeiro, Sao Pauto, Singapore, Sydney, Tehran, Tokyo

LONDON BRANCH 33/35 Cornhill, London EC3V 3QD

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been to limit their Euromarket clients. At present only about seed Switzerland's currency management profit centres elsewhere. The particular, they have bank advising on a further 10 strengthened their investment per cent.

banking activities in the hope been to limit their Euromarket banking activities in the hope of generating more commission income to offset the tighter interest margins.

Some banks have been pushed part of the way down this road by the strong increase in deposits placed by private customers. Banque Internationale à Luxembourg, one by customers other than banks increased by 35 per cent last year, compared with an overall balance sheet growth of 27 per cent. This has not altered the fact that the main source of hands for many Luxembourg banks has usually been the volume of deposits placed with them by other banks.

Private deposits can of course finding that lending to good risk borrowers is not generating sufficient profits, and many thus prefer to manage funds on a fiduriary basis. The business is bourg which will vest the America does no commodities more remunerative and, as one liability side of bank balance business. Credit Suisse concenbanker shrewdly observed: "It's sheets with the same degree of trates on the management of

John Makinson reports on the search for different profit centres

A new mix for Luxembourg banks

omeone else's risk." secrecy as is the case in At Bank of America Inter-Switzerland. someone else's risk." national, private deposits have forced them to make hefty Patrick Cunningham, the bank's is less likely to impose at a general manager, says that all stroke the type of capital condepositors are viewed as trols and primitive negative potential portfolio management interest rates which characterbeen growing strongly. Mr.

> Luxembourg is still a long way behind either London or Zurich as a portfolio manage-ment centre, and even the Grand Duchy's greatest optimists do not envisage that it will ever rival either centre.

The country is close enough Switzerland for sceptics to ask why anyone should bring their funds to Luxembourg of the Grand Duchy's largest their funds to Luxembourg banks, reported that deposits rather than to Zurich Some local bankers are apt to cite the quality of the cooking, the friendliness of the people and the individual attention shown to clients as points in Luxembourg's favour. Yet, with even the Swiss banks now active in Luxembourg, the truth clearly

goes rather deeper. Herr Reinhard Schmoeiz. managing director of Credit be used to re-finance loan Suisse (Luxembourg), says that business. Yet the banks are many rich individuals are seeking wider geographical distri-bution for the management of their funds. Legislation is currently being enacted in Luxem-

fixed income securities and Herr Schmoelz says that there is a particular interest in currency

Some West German and French banks are also active in the field and in all cases, the broad investment strategy will be decided by the parent bank Many investors believe, with outside Luxembourg. BIL is an independent bank but still uses some justice, that Luxembourg the research facilities of a major shareholder, Banque Bruxelles-Lambert

The greatest challenge now facing the Luxembourg banks in portfolio management, is to diversify the sources of their funds. With the exception of some holding companies registered in the Grand Duchy, their illustrates how the Luxembourg authorities, dependent on the banks for tax revenue and employment, will do what they clients are overwhelmingly wealthy European individuals. can to assist investment banking. The Government's refusal to levy VAT on resident's gold transactions (effectively subsidising them) has led to a wrangle with the European

The Belgians have traditionally close ties with Luxembourg and cross the border in droves to avoid local withholding taxes. There is no tax retention at source in Luxembourg and bankers never inquire into the tax position of clients in their country of residence.

vices in Luxembourg are generally cheaper than in London or Zurich, principally because operating costs such as staff salaries and rents are on average The common border with France has also resulted in an inflow of funds from what the lower. Banque Internationale a Luxembourg, which has prob-ably been active in this field Ameicans term "high net worth individuals" concerned about the policies a socialist Govern-ment might follow. The elec-tion of M. Mitterrand should keep the Luxembourg banks longer than any other Luxem-bourg bank, charges a commission of 3 per cent on funds of up to LuxFr 5m (\$130,000) falling to 1 per cent on portfolios over Luxer 20m. busy for the moment, but over the next few years the test will be whether they can attract The range of services on offer varies from bank to bank. BIL funds from members of the Organisation of Petroleum will invest in anything from Exporting Countries and from equities and bonds to gold and commodities but Bank of U.S. pension funds. As one banker put it: "We're happy with the Belgian dentists but we need a few Arab sheikhs."

Vallourec plunges into the red

BY TERRY DODSWORTH IN PARIS

pean construction and motor industries last year undermined the performance of Vallourec, the French steel tubes company leading to a loss of FF₇ 63.4m (\$11.5m). In 1979 there was a net profit of

particularly hard hit in its small

THE DEPRESSION in the Euro- low-price imports eroded mar- positive effect on performance. gins in an industry already suffering from considerable over-

capacity.
On the other hand, the company says that the energy industry began to pick up again last year with strong demand for products used in oil and gas Vallourec said that it had been research and development. This flow increased by FFr 101m to particularly hard hit in its small trend has strengthened during FFr 261m. Depreciation welded tubes business, where the last few months, with a accounted for FFr 437m.

The impact of the fierce competition in the tubes market last year is illustrated by the 22 per cent rise in turnover achieved by the group in running up its heavy losses. Consolidated sales amounted to FFr 11.5bn against FFr 9.4bn in 1979, while cash

Commission in Brussels.

Portfolio management ser-

Deutsche Shell spending plans

By Jonathan Carr in Bonn

DEUTSCHE SHELL plans total investment to 1985 of around DM 5bn, mostly to restructure and cut its continuing heavy losses in the mineral oil sector. About DM 2bn will go to adapt refinery capacity to match dwindling demand for heating oil and to boost product supplies to the chemical industry.

A further DM 600m will be spent on oil and gas exploration at home and abroad—after exploration investment of DM 130m last year and DM 85m

The company, a wholly owned subsidiary of Royal Dutch Shell, also confirmed that its net profits fell last year by 7 per cent to DM 246m, with total sales of oil products falling by 17 per cent to 16.6m tonnes.

The increase in the crude oil price and the fall of the D-Mark against the dollar meant that a loss of DM 50 was sustained on every tonne of oil products sold in the first quarter of this year. No early improvement is

The Government

of Barbados

Barbados National Bank

ACI boosts profits as turnover tops A\$1bn

BY OUR SYDNEY CORRESPONDENT

AUSTRALIAN Industries (ACI), the diversified glass, plastics and packaging group, raised sales above the minorities was up from billion dollar mark for the first A\$72.05m to A\$77.05m. Tax was time and returned an 11 per A\$19.9m against A\$14.9m precent profit increase during the year to March 31.

Earnings rose from A\$40.7m to A\$45.1m (US\$51.4m). Despite the earnings improvement ACI has, however, broken its five-year long run of increasing dividends, and has held the pay-out at last year's level of 7.5 cents a share for the final half and 15 cents for the full year.

ACI group sales were 10.3 per cent up, from A\$907.7m to just over A\$1bn (US\$1.1bn), and with the addition of Acmil, the building and industrial supplies group which was the subject of an A\$240m takeover earlier this year, will in the coming year be even higher. Earnings a share were down from 32.4 cents to 29.9 cents, because of the dilution result-

This announcement appears as a maner of record only.

Arawak Cement Company

Limited

US\$20,000,000

Medium Term Loan Facility

Severally Guaranteed by

Arranged by

Orion Bank Limited

Managed by

Agent Bank

Orion Bank Limited

National Commercial Bank of Trinidad and Tobago Ltd.

The Royal Bank of Canada (London) Limited

Morgan Guaranty Trust Company of New York

The Bank of Nova Scotia International Limited

Orion Bank Limited

The Government of

Trinidad and Tobago

Consolidated ing from the one-for-five issue made last May. ACI profits before tax and

> A\$12.1m, A\$16.5m. The prima facie tax pavable for 1980-81 was lowered by recoveries of tax of A\$6.8m. investment allowances of A\$4.1m, and New Zealand

viously, and minorities were

incentives An additional A\$20.5m in extraordinary items, which netted A\$17.8m after minorities, boosted the net operating profit to A\$62.9m from A\$40.7m.

The extraordinary items included A\$9.8m from the sale of investment, A\$4.7m from the sale of ACI's share in ACI-Sloane and ACI-Nylex, A\$6.9m from property sales in Singa-pore and a reduction of A\$1.5m from goodwill write-offs.

Aprīl 1981

Neckermann losses more than doubled By Our Financial Staff

NECKERMANN, the German mail order and travel group, plunged deeper into loss ast year and Herr Werner Piotrowski, a member of the managing board, said that a further loss was expected this year. The loss sustained was DM 70m (\$30.32m) compared with the DM 26m loss in 1979.

Herr Piotrowski said that company results have been down by the tourism subsidiary, N-U-R, as well as by support measures for affiliates in France and the Netherlands. Karstadt, the largest department store group in West Germany, now controls about 90 per cent of Neckermann.

Of Neckermann's 1980 losses DM 42m was incurred in the tourist sector, Herr Piotrowski

The parent company's losses after DM 45m in 1979.

Neckermann plans to halve its capital and to raise nearly DM 69m by restoring the nominal equity to DM 137.4m with a one-for-one share issue at price of DM 100 per nominal DM 50 share.

Neckermann increased turnover in 1980 by nearly 5 per cent to DM 1.7bn and N-U-R's turnover was up nearly 2 per cent to DM 1.2bn. Group turnover rose to DM 2.98bn from DM 2.86bn.

Earnings rise at Varta By Our Financial Staff

VARTA, THE West German maker of automotive and industrial batteries, satisfactory earnings in 1981 after 1980 group earnings rose to DM 29.7m (\$12.9m) from DM 24.45m in 1980. An unchanged dividend of DM 6 per DM 50 nominal share is declared for 1980, and management forecasts for 1981 are seen as an indication that the dividend will be maintained. Varta also reported that worldwide sales of the batterymaker rose 3 per cent in the first four months of 1981, compared with the same period last year. Sales for the whole of 1980 totalled DM 1.53bn, up 11

per cent from 1979. Sales of the domestic group were off 1 per cent in the first four months after rising 8 per cent in 1980 to DM 931m. International sales, including export sales of the domestic group and sales of foreign Varta subsidiaries, rose 3.5 per cent in the first four months. In 1980, international sales climbed 16 per cent to DM 899m.

Creusot-Loire in U.S. venture

By Our Parts Staff

JOINT Franco-American hydraulic turbine manufacturing company is being set up in the U.S. by Creusot-Loire, the French engineering group, and Combustion Engineering, the American electrical engineering

and energy group. The deal is basically a marriage of the technology of Creusot-Loire's Neyrpic subddiary with the manufacturing know-how and sales network of Combustion Engineering in the U.S. Like many French com-panies aiming to expand in North America, Creusot-Loire clearly believes that it will be easier with the support of a leading American group.

SAINT-GOBAIN-PONT-A-MO

1981 News Bulletin No 2

Notice of General Meetings

Notice is hereby given that the Annual General Meeting of Compagnie de Saint-Gobain-Pont-à-Mousson: will be held on Monday, June 15, 1981, at 10.00am in the Centre international de Paris, Palais des Congrès, Porte Maillot, 75017 Paris, for the following purposes:

Shareholders will be asked to receive the Directors' Report and approve the holding company's financial statements and auditors' report for 1980. Including retained earnings and net income for 1980, the meeting must decide on the appropriation of FF799.3 million. The meeting will be sked to approve the following:

distribution to shareholders of dividends of FF422.7

appropriation of the remainder, which will amount to FF356.5 million, to retained earnings.

This dividend, which is applicable to coupon No. 39, will be payable from July 7,1981, on 34,650,000 shares. The net dividend proposed will thus amount to FF12.20 per share, which, including a tax credit of FF6.10 for those entitled to it, corresponds to a total revenue of FF18.30 per share.

Shareholders will be asked to approve a resolution which provides for the transfer of FF26 million from the "special longterm capital gains reserve" to "other reserves", being the surplus tentative appropriation to said special reserve in reference to the 1979 fiscal year. Shareholders will also be asked to approve a maximum transfer of FF1.9 million from "other reserves" to the "special longterm capital gains reserves" in reference to the 1980 fiscal year, as mentioned in the Board's Report, and finally to approve the new reserve amounts resulting from those transfers.

After taking cognizance of the special auditors' report, shareholders will be asked to approve agreements described therein and operations handled or executed during the year, according to the report.

Shareholders will further be asked to re-elect Mr. Gilbert Cousin to the Board for a term which shall expire with the meeting which receives the accounts for 1986, and to re-elect Mr. Dominique de Grièges to the Board for a term ending with the meeting which receives the accounts for 1982.

Ratification will be sought from the shareholders concerning the Board's appointment of Mr. Carlo de Benedetti as a Director on November 20, 1980, on the occasion of Mr. Maurice Grandpierre's resignation. Mr. de Benedetti will hold office for the unexpired term of Mr Grandpierre, or until the meeting which receives the accounts for 1985.

The Annual General Meeting will be followed by an Edraordinary General Meeting which will be asked to renew the annual authorisation given to the Board to issue, at such times as the Directors may deem it appropriate, in France or abroad, convertible bonds up to a total nominal value of FF900 million. Shareholders will also be asked to renounce, in respect of any such possible issue, their pre-emptive rights to subscribe to the bonds, although it shall be provided that shareholders will have priority to subscribe to any such issues as may be made in France.

Pursuant to French legislation, the shareholders will also be asked to authorise the issue of employee shares to the personnel of the Company and certain of its subsidiaries. The State will support the cost of this capital increase, which is limited to 3%, or FF103,950,000.

Thirdly shareholders will be asked to approve a change in the name of the Company, from Compagnie de Saint-Gobain-Pont-à-Mousson" to "Compagnie de Saint-Gobain". Upon adoption of this resolution, article 2 of the Company's articles will be amended accordingly.

Finally, shareholders will vote on the amendment of the Company's objects and purposes clause to adapt it more closely to actual operations.

Shareholders wishing to attend the meetings or to be represented there must deposit their shares at least five days before the date of the meetings at the Company's transfer office (62 boulevard Victor Hugo, 92209 Neuilly-sur-Seine, France; telephone (1) 637 10 00; telex 613 130), or with a bank or a brokerage house and request an admission card. Shareholders in the United Kingdom may deposit their shares with Baring Brothers & Co., Limited, 88 Leadenhall Street, London EC3A 3DP.

SAINT-GOBAIN-PONT-A-MOUSSON

For further Information, write to: The Director of External Relations, nt-Gobelin-Pont-à-Mousson, 62 boulevard Victor Hugo, 92209 Neullly-sur-Seine Cedex.

NIABOD-TNIAS NOSSUOM-A

البنك السعودى العالمي المحدود Saudi International Bank AL-BANK AL-SAUDI AL-ALAMI LIMITED

Extract from Consolidated Accounts at 31 December 1980

	£'000	£'000
Shareholders' Funds	55,676	41,638
Deposit Liabilities	1,135,035	721,552
Loans	325,259	221,956
Total assets	1,228,220	785,234
Operating Profit before taxation and provision for possible loan losses	9,455	6,083
Profit attributable to shareholders	3,291	2,393
Proposed Dividend	1,250	798

Board of Directors

H.E. Sheikh Mohammed Abalkhail, Chairman,

Minister of Finance and National Economy of the Kingdom of Saudi Arabia Dr. Andreas R. Prindl, Executive Director and Chief Executive Officer
H.E. Sheikh Khalid M. Algosaibi,
Retired Vice-Governor of the Saudi Arabian Monetary Agency

Dr. Mahsoun B. Jalal, Chairman of the Saudi Investment Banking Corporation Chairman, OPEC Fund H.E. Sheikh Abdul Rahman Al-Sheikh,

Deputy-Chairman and Managing Director of the Riyad Bank Limited The Rt. Hon. Lord O'Brien of Lothbury, G.B.E., P.C., Retired Governor of the Bank of England Walter H. Page,

Retired Chairman of Morgan Guaranty Trust Company of New York The Viscount Sandon, T.D.,

Deputy Chairman of National Westminster Bank Limited

Shareholders

Saudi Arabian Monetary Agency, Riyad Bank, National Commercial Bank (Saudi Arabia), Morgan Guaranty Trust Company of New York, The Bank of Tokyo, Banque Nationale de Paris, Deutsche Bank A.G., National Westminster Bank and Union Bank of Switzerland.

Copies of the Report and Accounts for the year ended 31 December 1980 can be obtained from: The Secretary, Saudi International Bank, 99 Bishopsgate, London EC2M 3 TB. Telephone: (01) 638 2323.

Notice is hereby given of the appointment of Lloyds Bank Limited as Registrar

All documents for registration and correspondence should in future be sent to the address below.

> D.G. PEARCE SECRETARY



Lloyds Bank Limited, Registrars Department, Goring-by-Sea, Worthing, West Sussex BN12 6DA. Telephone: Worthing 502541 (STD code 0903)

Lloyds Bank Limited



Creditanstalt

Creditanstalt-Bankverein

U.S. \$40,000,000 Floating Rate Notes 1984

he Terms and Conditions of the Notes that for the six months from 21st May, 1981 to 23rd November, 1981 the Notes will carry an interest rate of 181% per annum.

On 23rd November, 1981 interest of U.S. \$93.65 will be due per U.S. \$1,000 Note for Coupon No. 9. European Banking Company Limited (Agent Bank)

Salomon Brothers

Atlantic Capital

Bear, Stearns & Co.

Kidder, Peabody & Co.

Wertheim & Co., Inc.

A. G. Edwards & Sons, Inc.

Hudson Securities, Inc.

The Nikko Securities Co.

Oppenheimer & Co., Inc.

Wood Gundy Incorporated

Sanyo Securities America Inc.

Algemene Bank Nederland N.V.

Nippon Credit International (HK) Ltd.

Société Générale de Banque S.A.

County Bank

Donaldson, Lufkin & Jenrette

L. F. Rothschild, Unterberg, Towbin

Smith Barney, Harris Upham & Co.

Arnhold and S. Bleichroeder, Inc.

Thomson McKinnon Securities Inc.

New Japan Securities International Inc.

Moseley, Haligarten, Estabrook & Weeden Inc.

21st May, 1981

Overseas expansion costs cause downturn at Ricoh

BY YOKO SHIBATA IN TOKYO

COMPANY, manufacturer copiers and other office automation equipment suffered a setback in earnings in the year ended March 31. The downturn was the first in six years and was blamed on a higher depreciation burden, resulting from investments in electronics and in the establishment of direct sales channels abroad to counter unfavourable marketing in the original equipment manufac-turing (OEM) field.

The company expects, however, to return to profit growth in the current year with a con-tribution from the new direct sales channels abroad and lower lepreciation costs.

Ricoh's operating profits declined by 8.4 per cent to in domestic sales and an 80.8 y20.13bn (\$91m). Net profits were Y11.011bn, down 7 per cent. on sales of Y253.4bn (\$1.1bn), up 13 per cent. Per share profits were Y40.63, compared with Y46.74.

Select of respect to in domestic sales and an 80.8 per cent gain in exports.

Camera sales declined by 13.9 per cent to account for 4.3 per cent of the total as a result of a 42.8 per cent fall in domestic turnover.

per cent of the total. Export

domestic sales.

Limited export growth attributed to unfavourable OEM marketing agreements in the U.S., Canada and parts of Europe. To counteract this disadvantage, the company has formed two direct sales channels to market dry-type copiers under the Ricoh brand name in Europe from January and in the U.S. from April this year, The forming of its own sales networks was partly responsible for a higher depreciation bur-

Facsimile equipment sales gained 16.4 per cent to account for 21.3 per cent of the total, with 12.2 per cent growth seen

pany's main product, increased stantial capital investment probust 12.3 per cent, to account for gramme in recent vesses for the total.

construction of super large

growth was only 10.9 per cent scale integrated circuit manu-compared with 13.1 per cent in facturing plant, which was completed in December 1980 and copier manufacturing plant in Fukuoka, which is expected to

be completed at the end of this Depreciation costs generated from the outlay of Y18bn in 1978-79 and Y19bn in fiscal 1979-80 peaked out in 1980-81 at Y6.8bn, an increase of only Y1.8bn from the previous year. The company expects much

heavier competition at home in the current year in copiers, word processors and facsimile machines. However, with the full-scale export of copiers through its own sales networks and the introduction of new products with the company's own advanced technology, it forecasts a 9.3 per cent rise in operating profits to Y22bn, Net profits are projected at Y11bn down 0.1 per cent, on sales of Y285bn, up 12.5 per cent.

Capital spending in the cur rent year will be increased to Y20bn, which will mainly be share issue in June.

Slow headway at Kyoto Ceramic

BY OUR TOKYO CORRESPONDENT

CERAMIC, a manufacturer of ceramic products for electronics industry, reported an 11 per cent increase net profits to Y13.36bn 60m) for the year ended March, against a background of weakened demand for integrated circuit (IC) packages from Japanese and U.S. semiconductor manufacturers. In 1979-80 net profits rose 79.3 per

Operating profits were just 0.3 per cent higher at Y24.46bn. despite a 22.8 per cent rise in sales to Y100.7bn (\$455m). Last year operating profits rose 80

Republic of Venezuela

The Notes are unconditional, direct and general obligations of Venezuela for the

payment and performance of which the full faith and credit of Venezuela is pledged.

The First Boston Corporation

Bache Halsey Stuart Shields

Morgan Stanley & Co.

Drexel Burnham Lambert

Alex. Brown & Sons

UBS Securities Inc.

EuroPariners Securities Corporation

Blyth Eastman Paine Webber

Lazard Frères & Co.

Kleinwort, Benson

IBJ International

Orion Bank

\$100,000,000

15%% Notes Due 1986

Merrill Lynch White Weld Capital Markets Group

Goldman, Sachs & Co.

Basie Securities Corporation

E. F. Hutton & Company Inc.

Lehman Brothers Kuhn Loeb

Shearson Loeb Rhoades Inc.

Warburg Paribas Becker

Robert Fleming

Dean Witter Reynolds Inc.

Wm. E. Pollock & Co., Inc.

LTCB International

Daiwa Securities America Inc.

Ladenburg, Thalmann & Co. Inc.

New Court Securities Corporation

Tucker, Anthony & R. L. Day, Inc.

Ultrafin International Corporation

J. Henry Schroder Wagg & Co.

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Bank of Tokyo International Banque Nationale de Paris

Girozentrale

Dillon, Read & Co. Inc.

All of these Securities have been sold. This announcement appears as a matter of record only.

Y200.59. The dividend has been raised from Y26.75 to Y30 per

Reflecting a slump in domestic and U.S. orders for Reflecting integrated circuits, particularly in the second half, sales growth in the IC division was In limited to 16 per cent. Sales of electronics parts gained by 37.5 per cent to account for 14.1 per cent of the total, as a result of firm demand in both home and overseas markets. Sales of ceramics for the

industrial machinery and elec-

per cent. Profits per share tronics industries rose by 25.8 slipped back to Y175.83, from per cent to account for 15.1 per cent of the total.

The company expects to see continued recession in the U.S. and inflation at home in the current year. The company will emphasise its diversification into the life-science, fashion, and alternative energy industries, and others using fine ceramics.

Operating profits for 1981-82 are estimated at Y28.3bn, up 15.7 per cent, net profits at Y13.6bn, up 18 per cent. and sales at Y112.5bn, up 11.9 per

Shionogi expects sharp fall

TOKYO-Shionogi and Company, the Japanese manufac-turer of pharmaceutical products, reported a 0.9 per cent rise in unconsolidated net earnings to Y8.04bn (\$36m) for the fiscal year to March, but the Company is anticipating a sharp profit decline in the current year chiefly due to the company to close the company to sharp profit decline in the current year chiefly due to the public showed a net profit for the company to close the comp Government's decision to slash the first three months of fore. Despite last year's inchange the prices of drugs handled under its welfare programme. with a A\$3.4m for the same only 4.4 per cent of billed sales, and be Sales went up 7.3 per cent to period in 1980, and a profit of y142.3bn (\$644m) from A\$11.2m for the whole of 1980. 6 to 8 per cent. Consolidated ficate. Y132.62bn.

The company said the Yen's rise and sluggish economic conditions in other countries forced an 18.1 per cent drop in

exports.
In the domestic market, however, antibiotics and some other products helped the company post a moderate sales increase. In the current year, Shionogi is expecting a 29.1 per cent earnings drop, to Y5.7bn on sales of about Y149bn. AP-DJ

U.S. \$50,000,000 Midland International Financial Services B.V. **Guaranteed Floating**

Rate Notes 1987 Guaranteed on a subordinated basis as to payment of principal and interest by



Midland Bank Limited

For the six months from 21st May, 1981 to 23rd November, 1981 the notes will carry an interest rate of 182% per annum On 23rd November, 1981 interest of U.S.\$94.29 will be due per U.S.\$1,008 note for coupon No. S.

Agent Bank: Morgan Guaranty Trust Company of New York

Kingdom of Sweden U.S. \$110,000,000 Floating Rate Notes Duc November 1988 For the six months May 20th 1981 to November 20th 1981 the Notes will carry an interest rate of 18%6

um with a Coupon Amount of U.S.59,359,72. Bankers Trust Company, London Fiscal Agent

FUQUA INDUSTRIES, INC.

Chemical Bank, Chemical Bank House, 180, Strand, Landon WG2R 187.

TELEFONAKTIEBOLAGET L. M. ERICSSON

Diamond unit trust venture in **Singapore**

By Georgie Lee in Singapore

OVERSEAS UNION BANK (OUB), one of the big four Singapore banks, and Banque Bruxelles Lambert of Belgium (BBL) have set up a company to launch Asia's first unit trust investing in diamonds.

The joint venture, Diamond Management Singapore, is owned equally by OUB and BBL and will manage the fund, to be known as Diamond Singapore Fund. The fund, which will be

launched tomorrow will operate as an open-end fund investing in top quality flawless diamonds certified by the Gemological Institute of America (GIA) or Hoge Raad Voor Diamant (HRD—Diamand High Council of Antwerp).

All diamonds purchased are to be examined by Mr. Maurice Schamisso of Antwerp and Mr. Serge Fradkoff of Geneva. The fund also has appointed Kragu of Paris as investment adviser.

of Paris as investment adviser.

The units of the fund will be denominated in U.S. dollars, and the initial issue will be by way of an offer of units at a price of U.S.\$1 per unit. This price will prevail until June 30.

After the initial offer period. issue and realisation prices of units will be dunted on all business days at the office of the company, OUR branches in Singanore the Singanore branch of BBL, and Diamond Investments, a diamond dealing companv.

The chairman of Diamond Singapore is Mr. Lee Hee Seng. who is also the managing director of OUB.

BBL was instrumental in the establishment in 1978 of Diamond Capital, set up as the world's first company specialising in investment in high quality diamonds. Diamond Capital had assets totalling U.S.\$65.4m at the end of last year.

Citicorp takes quarterlies into Australia

By Colin Chapman in Sydney CITICORP AUSTRALIA, a sub-

sidiary of Citibank, of New York, broke new ground yesterday by becoming the first Australian company to publish quarterly results. Citicorp,

Major Swiss banks support SSIH rescue programme

BY JOHN WICKS IN BIENNE

THE SHARE CAPITAL of Société Suisse Pour L'Industrie Horlogère (SSIH), Switzerland's second largest watch company, " must be regarded as lost." says a letter to shareholders, which puts consolidated losses for 1980 at SwFr 161.6m (\$78.8m) after a fail of 7.4 per cent in group turnover to SwFr 613.6m (\$299.3m).

At March 31, 1981, carriedover balance sheet losses amounted to SwFr 142.4m compared with capital resources (share capital plus reserves) of SwFr 115m.

Bienne yesterday, the company confirmed previous reports that support totalling SwFr 300m will be needed to put SSIH back on its feet.

The country's four major commercial banks, plus the cantonal banks of Berne and Neuchatel, have announced their readiness to take part in their readiness to take part in a corresponding funding programme as long as other creditors in the field of banking company itself. The Board will and finance are prepared to contribute by dropping claims of them bankers, restructuring on the company. Suppliers to SSIH, many of them small businesses, will not be called on to make a contribution of this cutting of operational costs and

Dr. Peter Gross, general manager of Union Bank of Switzer-

Agreement has already been received from most of the creditors, with various options being offered as to the way in which their support could be granted Negotiations are to be held with four creditors who have initially refused to forgo claims on the company.

The funding programme would be divided into three parts, said Dr. Gross, each of them yielding about SwFr 100m. The specific measures include: debt write-offs on the part of the banks and other financial creditors, conversion of debt into At a press conference in new capital, continuation of stance vesterday, the company credit facilities and the granting of new loans by the banks,

The capital transaction would involve writing down the present share capital of present share capital of SwFr 69m to 5 per cent of its present value—SwFr 3.45m— and its subsequent increase to SwFr 100m by the issue of regis-

comprise seven members, three measures are planned for research, production, sales and administration, with an overall a concentration of efforts on the

In this connection, the comland, said that the group of six pany has already disposed of banks demands complete soli- certain loss-making operations darity on the part of all credi- in low-price watches, as well as tors who had granted loans to carrying out the large-scale SSIH. If this could not be stock depreciation scheme last achieved, the funding plan year which accounted for would not go through, he said. SwFr 65.9m of the annual loss.

Schindler sees profit increase as orders rise

BY OUR FINANCIAL STAFF

sales and profits in 1981, Herr Zeao Schnidler, chief executive of the parent company, Schindler Holdings, said yesterday. In the first quarter of 1981 the inflow of orders rose by 59 per cent to SwFr 1.58bn (\$770m) from SwFr 1.32bn last year, and should continue to rise, he said. Profit margins were also

expected to be higher this year. Group net profit rose to SwFr 22.3m (\$10.88m) in 1980, after a decline in 1979 to SwFr 14.6m from SwFr 21.3m the year be-

SCHINDLER, the Swiss engin-net profit was only 1.5 per cent eering group which specialises of turnover, Herr Schindler in lifts, is optimistic about said.

This had resulted mainly from losses of the Swiss companies, which accounted for 30 per cent of combined sales. Most foreign subsidiaries had worked profitably in 1980, with Schindler's newly restructured French subsidiary and its Gr man company contributing airnificantly to group earnings.

As announced earlier, parent company net profits rose to SwFr 12.9m from SwFr 11.8m last year. Dividends will be unchanged at SwFr 12 and SwFr 60 respectively, for registered and bearer shares, and at SwFr 12 for each participation certi-

DOBSON PARK INDUSTRIES

has acquired

COAL BIT COMPANY, INC. STEPHENS-KELLER MACHINE COMPANY WEST VIRGINIA MINE SERVICE, INC.

> We initiated this transaction and assisted in the negotiations

COMPANY Pittsburgh

King Fifth Wheel Company

has been acquired by

Tube Investments Limited

The undersigned acted as financial advisor to King Fifth Wheel Company in this transaction

WM SWORD & CO INCORPORATED

May 18, 1981.

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and Markets INTERNATIONAL COMPANIES and FINANCE

Michael Thompson-Neel, recently in Toronto, examines a decade of retrenchment, restructuring and ultimate revival at one of Canada's leading companies

George Weston finds the right diet

STILL A youthful 42, there is being fisheries (1980 sales; dispatched to Toronto to sort Loblaw was North America's completely, tothing in the appearance or calculation, which in common out its troubles, it was stumbled sixth largest food distributor. What for the manner of Galen Weston — with the rest of the North ing like a mannoth. suggest he has been immersed n the struggles of the food Mainess since the tender age of 0; nor that he has spent the ast ten years engineering one of the toughest turnrounds in

Canadian business history.
His looks are boyish, his mergy undiminished. Yet since 1971, he has transformed the ortunes of the Weston-Loblaw a regime -of everish bloodletting and ruthess amputation.

His work with the scalpel has paid off substantially. In 1980, George Weston, of which he is chairman and president, reported record sales and earnings for a third successive year. It a broadly-based American group, with sales in 1980 of C56.78bn (US\$5.65bn), 16 per cent up on 1979's i6 per cent up on 1979's C\$5.87bn and derived from food processing and distribution, and fisheries and forest pro-

Net earnings were 9 per cent higher at C\$83.6m common dividends declared last year rose by 31 per cent to C\$1.36 a share. Shareholders equity was put at C\$534m, and total assets at C\$1.76bn. Last year, three of Weston's

four divisions displayed a return on capital greater than It is distinctly well-managed with potential for considerable the declared minimum target of further growth. Yet a decade 15 per cent-the exception ago, when Galen Weston was

on of Garfield and chairman of American fishing industry

C\$1.20 per common share,

against C\$35m or 96 cents a

(Under a prospectus filed

recently with the Ontario

Weston's interest in Loblaw is

being reduced to 79 per cent, producing C\$27.5m for George

fuel capital expenditure.)

Weston, which will be used to

Today, Weston-Loblaw is seen

lean, aggressive, nungry.

Sales*

share.

Securities:

Operating income

Return on capital

Total assets

It began in Toronto in 1882, Lanada's George Weston — to suffered traumatically last year. when George Weston, a baker's In turn, Loblaw Companies, apprentice, bought a bread at present 87 per cent-owned by delivery route. By 1947, his Weston and which handles son, the redoubtable Garfield. Weston's North American food was the world's biggest baker,

Food

739.4

342.5

excluding intercompany sales totalling

19.9%

distribution interests, reported with sales on four continents—sales last year 14 per cent including those of the London-higher at C\$5.38bu for net earn—based Associated British Foodsings of C\$462m, equal to —of C\$334m. Between 1944 and 1975.

Forest

products

364.8

217.1

33.3%

George Weston Ltd. spent North America alone. Total C\$150m net on acquisitions, revenues were C\$35m. But it

FINANCIAL HIGHLIGHTS 1980 (C\$m)

200.9

235.1

C\$279.1m

including that of Loblaw Groceterias, which as Loblaw Companies, spent a further C\$258m net. The grand plan:

vertical integration on the greatest imaginable scale, so

that Weston-owned bakery and

food products would be made with ingredients from Weston-

owned mills, packed in Weston-

made cartons and delivered to

Weston-owned supermarkets by

By the middle 1960s, Weston-

Weston-run wholesalers.

included National Tea Com-Kelly, Douglas, a large British Columbia-based food wholesaler; canner in Canada; the Sayvette discount store chain - plus innumerable smaller processors, distributors and grocery chains. By 1966, Weston owned 225

companies and subsidiaries in

revenues were C\$3bn. But it

was lurching badly. Its affairs

cloaked in secrecy. Management

was poor. And it suffered not

only from a lack of focus, but

was in danger of collapsing

inwards under its own great

weight. The group had outgrown

its strength. By 1971, when Galen, the youngest of nine

children, was asked by his

father to go to Toronto, profits

at Loblaw had plummeted to

6,776.7

1,575.5

Food

distribution

962.8

5.37L6

ing that was probably unique, pany's 400 U.S. supermarkets; even by the blunt-nosed Kelly, Douglas, a large British standards of markets as tough as those of Weston-Loblaw. - Entire businesses were axed. As heads rolled, the average

age of a Loblaw store manager fell from 57 to less than 40. And Loblaw set out to reduce the number of its stores from 1,800 to 640, remodelling and redesigning those that were left so as to garner immediatelygreater profits.

Yet even four years ago, Loblaw was still struggling for its life. Despite reasonable sales increases, losses increased from C\$14.8m in 1972 to C\$49.8m in 1976, so that the decision was made to dispose of all remaining peripheral busines

It bit the bullet at National Tea, selling off 280 stores, including 140 in Chicago and others in California. It dis-patched numerous businesses Canada. It established Intersave, to co-ordinate all buying in Canada. And it spent heavily: a total of C\$116m worth of capital investment in its wholesale operations during 1977-80, and C\$227m worth of investment in its retail operations over the same four

At George Weston itself, net earnings for the first quarter of the current year were C\$17.8m, equivalent to C\$1.30 a share. compared with C\$14m or 97



Mr. Galen Weston: "Natural resources opportunities"

cents a share for the first quarter last year Results, said the company, indicated satisfactory progress in food processing and distribution, and a recovery in fisheries though earnings from forest products were down, reflecting soft U.S. markets for lumber products and fine paper.
This year and next, Weston

will direct a major portion of its capital expenditure to E. B. Eddy, its forest products subsidiary, which markets pulp, fine paper, consumer and other speciality paper and wood products

We see great opportunities for growth in our natural re-source holdings in Canada," says Mr. Weston explaining that returns in pulp and paper con-tinue to be excellent, and that the current restructuring of the British Columbian should help resolve industry the present difficulties of what, historically, has been a good

Registered Office: rue de la Chancellerie 1, Brussels Brussels registre du commerce nr 13.377

NOTICE to SHAREHOLDERS

Shareholders are invited to attend the annual General Meeting which will be held on Friday 29th May, 1981, at 10.30 a.m. in the Office of the "Société Générale de Belgique," 30 rue Royale, Brussels.

- 1. Reports by the Board of Directors, the Auditing Commission and the legal Auditor for the financial year 1980.
- Approval of the annual accounts closed as of December 31, 1980; distribution of the profit.
- Discharge to be granted to the Directors and
- Statutory appointments.

In order to be admitted to this Meeting owners of bearer shares must deposit their shares not later than Friday 22nd May, 1981, with anyone of the following banks.

with "Société Générale de in Belgium: Banque,"in Brussels or any of its other offices and agencies. with "Banque Belge (France)," in France: 12, rue Volney, 75002-Paris. with "Amsterdam-Rotterdam in the Netherlands:

Bank, Herengracht 595,

1001 Amsterdam. Owners of bearer shares will be admitted to the Meeting on producing a statement from one of the above banks mentioning the identity of the owner of the shares and certifying that the shares will remain deposited from 22nd to 29th May, 1981 included.

Owners of registered shares must advise the Company not later than Friday 22nd May, 1981, of their intention to attend the Meeting or to be represented.

Proxies.conferred according to article 30 of the Articles of Association, must be deposited not later than Friday 22nd May, 1981, at the Company's Registered Office, rue de la Chancellerie 1. Brussels.

Proxy forms are available to shareholders at the Company's Registered Office and also at the above-

The Board of Directors

Bell & Howell wants British high technology

equipment and learning systems is actively looking for companies to buy in Britain.

Mr. D. Frey, chairman and president, disclosed in London this week that the company has held. discussions with several private UK companies in the high technology instrumentation fields, which could be incorporated in the group's existing divisions. Bell would be likely to pay around \$10m for such an acquisition. Mr. Frey com-mented that his company has pursued a policy of purchasing high technology acquisitions market for similar purchases in

large in themselves, were leaders in their specific fields.

Instrumentation ranging from sensor devices for checking fuel performance in military vehicles to the monitoring of North Sea equipment, makes up some 20 per cent of Bell's overall business, with the major share still coming from business microimagery systems and micropublishing. ICI is a major UK customer for Bell's instrumentation products, produced by the Bell subsidiary in

BELL & HOWELL, the Chicago- which, while not necessarily Europe but the search is on a loss carryforward reflecting the likely to come from the expan- for expected costs and losses based manufacturer of business large in themselves, were "more modest" scale. Mr. Frey, closure in 1979 of the group's sion of its office equipment when the consumer photo side products.

The company is also in the

in the course of a visit to the group's European operations, a major contributor to interna-tional sales and which provide more than one quarter of group profits, said he regarded the UK as a major area of expansion

Mr. Frey did not disagree with forecasts by Wall Street analysts that earnings this year will be in the \$3.20 to \$3.40 a share range—compared with \$3.41 a share or \$19.2m from continuing operations in 1980; at the net level, last year's earnings benefited from a tax-

for the company.

consumer photo products business, including its well-known line of cine cameras. But he warned that the overseas earning content was vulnerable to currency translation factors.

The group has no plans to renew its share quotation in London which was allowed to lapse some years ago, nor will it seek a listing on any of the Continental bourses. "Some-thing of an ego trip," was Mr. Frey's description of the rush by U.S. companies to list in

Future growth for Bell is

systems. Mr. Frey sees great potential in the company's micro fiche systems for mail handling, in particular, and also in systems for filing and retrieving

Over the past decade, earnings have made somewhat patchy progress from \$11m in 1970 to \$16.8m in 1979, with a peak of \$19.2m in 1973.

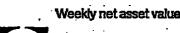
office documents.

A constant problem was the consumer photo side which \$14.6m in the previous year. suffered severe competition from the Japanese manufacturers throughout the period. Reserves of \$45m were set aside

was closed down in 1979. Last year saw Bell actively

pursuing its policy of expansion by acquisitions. In June, it ught the former Automated Systems division of Lear Siegler. In May, it purchased Sabre Products, a manufacturer of shipping, mailing and counting electronic weighing systems. Capital spending totalled about \$16m in 1980, compared with

Terry Byland



Tokyo Pacific Holdings (Seaboard) N.V.

on January 1,1980: U.S.\$ 48.39

on May 18th 1981: U.S. \$ 66.11 Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson N.V.,

Herengracht 214, 1016 BS Amsterdam

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VONTOBEL	*LIRCIRCINI	I INDICES
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16	5.76=100%	
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This announcement appears as a matter of record only.

3,000,000 Shares



Air Florida System, Inc.

Common Stock

Lehman Brothers Kuhn Loeb

Bear, Stearns & Co. Blyth Eastman Paine Webber Bache Halsey Stuart Shields Drexel Burnham Lambert Dillon, Read & Co. Inc. Donaldson, Lufkin & Jenrette E. F. Hutton & Company Inc. Kidder, Peabody & Co. Goldman, Sachs & Co. Shearson Loeb Rhoades Inc. Smith Barney, Harris Upham & Co. Lazard Frères & Co. Dean Witter Reynolds Inc. Wertheim & Co., Inc. Warburg Paribas Becker

Banque Générale du Luxembourg S.A.

Compagnie de Banque et d'Investissements (Underwriters) S.A. Den norske Creditbank Jardine Fleming & Company Samuel Montagu & Co. J. Henry Schroder Wagg & Co.

U.S. \$10,000,000

London.



In accordance with the provisions of the Certificates, notice is hereby given that for the six month Interest Period from 21st May 1981 to 23rd November, 1981, the Certificates will carry an Interest Rate of 181/16% per annum. The relevant Interest Payment Date will be 23rd November, 1981.

Credit Suisse First Boston Limite



Balance Sheet as at 31 December 1980 (24 Safar 1401)

CAPITAL AND LIABILITIES	1980 Saudi Riyals	1979 Saudi Riyals	ASSETS	1980 Saudi Riyals	1979 Saudi Riyal
Sharecapital	300,000,000	100,000,000	Cash Funds	45,322,258	47,469,198
rights issue Statutory reserve	- 35,867,858	63,369,190 12,265,663	Deposits with Saudi Arabian Monetary		-
	3,324,520 370,442,378	1,316,731 189,451,584	Agency Statutory Other	125,657,637 324,166,858	244,812,070 305,835,977
			• •	495.146,753	598,117,245
Demand Time	1,597,637,233 1,774,772,505 166,162,955 3,538,572,693	1,504,670,165 348,522,385 170,593,807 2,023,786,357	Due from banks Current accounts Deposit accounts	227,807,907 1,563,416,594 1,791,224,501	325,138,276 512,284,284 837,422,560
			Loans and Advances	1,762,011,351	1,294,757,783
	223,798,558 69,241,453 293,040,011	366,145,846 229,723,072 595,868,918	Premises and Equipment	124,372,042	74,930,750
44			Investments	54,123,041	28,606,347
roposed dividend	48,000,000 63,600,910	15,000,000 45,363,026	Deferred Charges	4,762,416	4,796,006
•	111,600,910	60,363,026	Other Assets	82,015,888	30,839,194
	4,313,655,992	2,869,469,885	TOTAL ASSETS	4,313,655,992	2,869,469,885
	1,878,611,237	1,584,830,985	Liabilities of Customers for Engagements	1,878,611,237	1,584,830,985
•	1922 1 0 May 12 19 19 19 19 19 19 19 19 19 19 19 19 19	7,700,000,010		0,172,401,449	4,454,300,870
	Shareholders' Funds Sharecapital Money received for rights issue Statutory reserve General reserve Retained earnings Deposits Demand Time Other One to banks Current Accounts Deposit Accounts Deposit Accounts Other Liabilities Proposed dividend Other liabilities OTAL CAPITAL AND LIABILITIES Lagagements on chalf of customers	Shareholders' Funds Sharecapital Money received for rights issue Statutory reserve General reserve Retained earnings Deposits Demand Time Other Other Current Accounts Deposit Accounts Deposi	Saudi Riyals Saudi Riyals Saudi Riyals	Cash Funds Cash Funds Cash in hand Cash in	Cash Funds Cas

Alkhobar • Dammam • Hoffuf • Jeddah • Jubail • Qatif • Riyadh A commercial bank owned 60% by the Saudi public and 40% by The British Bank of the Middle East, a member of The Hongkong Bank Group. Head Office: P.O. Box 9084, Riyadh. Telex: 202349. Capital Authorised and Fully Paid SAR 300,000,000



THE SAITAMA BANK, LTD.

Negotiable Floating Rate U.S. Dollar Certificates of Deposit Maturity date 23rd November 1981

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six-month interest period from 21st May 1981 to 23rd November 1981 the Certificates will carry an Interest Rate of 18 16% per annum:

Agent Bank Kleinwort, Benson Limited

The Industrial Bank of Japan, Limited



Floating Rate London-Dollar Negotiable Certificates of Deposit due 25th May, 1984.

PREMIUM INCOME

UNDERWRITING RESULTS

INVESTMENT INCOME

SURPLUS BEFORE TAXATION

SURPLUS TO RESERVES

RESERVES AT 31st DECEMBER (after transfers)

UNDERWRITING RESULTS

. Association

£2 million.

RESERVES

Subsidiary Company

Association

Subsidiary Company

Taxation

Bonus to Association policyholders

1979

£m

63.4

15.3

(0.3)

15.3

(6.9)

29.8

1980

£m

65.3

18.7

(2.0)

41.1

IRON TRADES INSURANCE GROUP

RESULTS FOR 1980

Traditionally as employers' liability insurance specialists the Iron Trades is closely

General business other than life insurance is undertaken by the wholly owned subsidiary company. Iron Trades Mutual Insurance Company Limited and expansion

Investments continued to make their substantial contribution to the resources of the

Copies of the report and accounts may be obtained from the Secretary, the Iron Trades

Group. The reserves now stand at £41.1 million and in addition there is a significant

appreciation in the market values of the investment portfolio not reflected in this figure.

Insurance Group, Iron Trades House, 21/24 Grosvenor Place, London SW1X 7JA.

involved with heavy industry in the United Kingdom which suffered a severe set-back in

the downturn of the economy in 1980. This reflected in a reduction of premium income in the year which when combined with the increasing cost of claims produced a loss of

continued in 1980 particularly in private motor insurance. This growth came entirely from insurance brokers. The overall loss came substantially from poor marine and overseas

INTL. COMPANIES & FINANCE

Ready-to-wear manufacturers feel a chill

By Arthur Sandles

DURING last month's Pret-a- is filling the racks of thundered monotonously into for the autumn season. the neon-lit air.

was a cold fear that many may not be in business when next

The figures are worrying enough. In the major markets business is declining in real terms - French ready-to-wear sales rose in cash value by 6.5 per cent last year. American (men's and women's) by around own.
7 per cent and British figures It look like being much the same. In all cases this was against considerably higher basic inflation rates. In each case, too, imports have been soaring. In the U.S. they went from \$5.9bn to \$6.7bn and a similar rise is predicted for this year. Women's wear imports into France are thought to have risen by 14.4 per cent last year. In Britain the tale of factory closures, thanks to falling sales and competition with imports, is a familiar one. Some 100,000 UK textile and clothing jobs have been lost during the past 12

The Pret-a-Porter in Paris is the hard-nosed end of the fashion world. The summer Couture shows allow the great names of the business to demonstrate their artistic flair, but the bread and butter of the market

Porter fashion shows in Paris, it department stores and high seemed that the only business street boutlques. The Paris to be in was the production of shows are closed to the public. disco music. Throughout the but 150,000 trade visitors from vast halls of the Port de Ver- around the world gather to see sailles exhibition centre the what is on offer and, the thump-thump of disco rhythms exhibitors hope, place orders

The show is not confined to the But behind the ear-to-ear French-although in true Gallic smiles of the exhibitors, there style foreign exhibitors find themselves a little out of the main run of things. There were year's event comes around. The nearly 60 British ready-to-wear world of fashion is going and accessory manufacturers through troubled times. make their case against 1,360 rivals from 39 countries. Hong Kong, eager to move out of the machine-shop end of the business and into fashion origination, took a whole hall of its

> It did not take very long at the Pret-a-Porter to realise that the fashion world is not much different from any other. The real talk was about margins, delivery dates, quality and con-sumer appeal. As far as margins were concerned, things were getting tough. Fashion Forwarding, the P. & O. offshoot which does much of Britain's clothing export carriage, reckoned companies were being forced into one of two camps: "They either have to push the quality up so that no one else can touch them, or cut corners and fight on price.

> Manufacturers complained bitterly about being priced out of markets by the high value of sterling. "Whatever you do you come up against the strength of sterling," said Laird Portch, maker of classic British clothing that is currently the vozue in the boutiques of Nice and Los Angeles.

A company which in the past had done huge business in expensive ball gowns to Germany -wholesaling at between £150 and £200-warned about what inflation plus an exchange rate of about DM 4.70 to the pound had done to its prices over the past year. It and other manufacturers, both British and others, were finding considerable buver resistance against ordering large quantities or of buving a long way in advance. They don't want to commit themselves. They would sooner just have a few and sell out completely than risk having stock at the end of the season. to take last-minute orders. We lave to be ready to react." can buy copies of high-fashion In theory, the British should clothes, complete with brand have to be ready to react."

much the predicted look for the autumn of this year. Stand after stand at Paris was dotted frock coats, capes and even the Korea and even Turkey are and English twin-set. Tweeds and coused of being source. good English twin-set. Tweeds accused of being sources of and checks, British grouse moor pirate supplies. Nearer home, and checks, British grouse moor pirate supplies. Rearer nome, vastly inc. colours, were everywhere, the French get very cross with for such the Italians, whom they accuse Burberry to-wear business all this has

been very good news. Burberry has trouble keeping pace with orders for its classic raincoats and there is still demand for Jaeger knitwear.

Further down the fashion ladder, however, British manufacturers without such elegant cochets are having to struggle to keep pace with foreign competitors. The prestige names themselves are not without problems, however. Most of the French couture houses have now gone into the hurly-burly of ready-to-wear, so that St. Laurent and Cardin are no longer the exclusive brand names of the Paris jet set. Protecting those names is now a full-time job for a whole corps of lawyers.

It is not only in the side streets of Hong Kong that you be riding the crest of a fashion name, at Marks and Spencer prices. On Sunday morning in New York's lower East Side the cut-price clothing stores blos-som with names that would not disgrace Bond Street or the Avenue Fauberge St. Honore.

 simply importing ready-made goods from Asia and putting an Italian label and an Italian mark-up on them before sending them out to stores. Only last year the British Customs Investigation Bureau took on extra staff in a bid to crack down on this practice with accusations being thrown not only at the Far East but also at Eastern Europe, notably Romania, as sources of clothing which was being relabelled by Italian entrepreneurs as Common Mar-

ket produce. The magazine Peplos, strongly worded monthly pub-lication of the Federation Française du Pret-a-Porter, is constantly attacking French and Common Market policy over imports. In that, hardly alone. In London and New York, Government officials must be growing exhausted in simply dealing with the volume of protest. The calling in of Government agencies to tighte up the import rules is an pressure. question coincidence restrictions on American-made artificial fibre imports were followed by U.S. rules which vastly increased the tariff rates for such European products as Burberry and Aquascutum.



The new look for winter from Paris is long and full, with

APPOINTMENTS

Phicom senior group changes

Mr. R. J. F. Howard, previously chief executive director, has become chairman of PHICOM in place of Mr. S. W. Livesey who has retired. From June 1, Mr. A. K. S. Franks, who has been an executive director of Phicom and its predecessor company, Plantation Holdings, for 16 years, will be appointed managing. will be appointed managing director. At the same time Mr. J. G. Armstrong will join the Board of Phicom as an executive director and will take over the chairmanship of Trend Communications, the parent company of the data communications division. He will continue his present responsibilities for the instruments division. The light engineering division, managed by Phicom executive director Mr. R. P. L. McMurrie, will be renamed the electronic electronic

Sir Derek Ezra, chairman of the National Coal Board, has been elected president of the COAL INDUSTRY SOCIETY in place of Mr. W. M. Pybus. Mr. J. Froom has become chairman and Mr. L. T. Anthony, vicechairman of the Society.

enclosures division.

Mr. Tom Kilpatrick has joined the Board of BAMFORD HALL HOLDINGS of Sheffield. He is at present chairman of the Economic Development Committee for Foundries and was previously a managing director of the United Steel Companies and chairman of Brown Bayley

Mr. T. A. Hillary and Mr. J. A. Greenhalgh, assistant general managers of the HALIFAX BUILDING SOCIETY, have been appointed general managers from May 23. Mr. G. M. Wykes, at present regional manager east region, is to become a secretary of the Society on that date.

Mr. Christopher Wilson has been appointed chairman of ST. REGIS NEWSPAPERS following the recent retirement of Lord Robens. Mr. Wilson is also managing director of St. Regis Newspapers and a director of St. Regis International

Mr. Bryan Ellings, at present

Mr. R. M. Tolson, financial accountant, has been appointed a director of the FIRTH-DERIHON STAMPINGS.

Mr. Barrie J. Newton and Mr. Simon M. Wall have joined the partnership of STOCK BEECH AND CO., stockbrokers,

Mr. Cecil V. Dibb has been elected chairman of the STOCK EXCHANGE, MIDLANDS AND WESTERN UNIT, and Mr. Edward R. Greey has become deputy chairman.

Mr. Tony Ransome has been appointed to the board of ARTHUR SANDERSON AND SONS as divisional commercial director. From June 1, Mr. L B. Falconer will become finance director.

Mr. M. J. E. Usher has been appointed deputy managing director of PORTLAND SHOES. He takes over as managing director on January 1, 1982, in place of Mr. David L. Roberts, who will continue as a director until his october next year.

Mr. John Webb, managing director of Motor Circuit Developments, has been elected president of the ASSOCIATION OF INTERNATIONAL MOTOR RACING CIRCUITS.

Professor Richard Bishop has been appointed vice-chancellor and principal of BRUNEL UNIVERSITY from October 1 to succeed Mr. Stephen Bragg. Professor Bishop is at present the Kennedy Professor of Mechanical Engineering in the University of London at University College.

Mr. Frank Andrew has been appointed managing director (designate) of MALLINSON-

DENNY (UK). When he takes up the position of managing director in several months time, Mr. R. T. S. Macpherson, as group chief executive, will remain chalrman. Mr. Andrew was previously with BL.

INVERESK GROUP states that Mr. J. H. Riddell, Mr. J. M. Thomson and Mr. J. A. Miller, Thomson and Mr. J. A. Miller, non-executive directors, have resigned on Georgia-Pacific Corporation's acquisition of Inveresk Group becoming effective. Mr. J. T. Donald has also resigned as a director but remains as an executive. Mr. T. S. Corrigan continues as chairman and managing director. Mr. R. E. Flowerree and Mr. R. A. Flowerree and Mr. R. Schumacher, respectively of man and chief executive officer and a director, and a sentor vice-president of Georgia-Pacific, have become directors.

Mr. Stanley R. Harding has joined the board of SAN FRANCISCO INSURANCE COM-PANY (UK), a subsidiary of Fireman's Fund Insurance Company.

Mr. Michael Gerrish has been appointed director of corporate affairs for JARDINE GLAN-VILL (UK) and continues as non-executive chairman of Industrial and Mercautile Credit Insurance, a subsidiary.

Mr. Peter Graham, managing director of Standard Chartered Bank and chairman of Standard Chartered Merchant Bank, is the new president of the INSTI-TUTE OF BANKERS and chair-man of its council for 1981-82. Mr. Robert Amos, assistant chief general manager of Lloyds Bank, has been elected by the Institute's council as its deputy chairman in succession to Mr.

Dr. H. C. Hans Locher has been installed as president of the TEXTILE INSTITUTE.

Mr. I. D. Coutts has been elected chairman of the LOCAL AUTHORITIES' MUTUAL IN-VESTMENT TRUST following the retirement of Mr. F. D.



Fairy tales can come true.

There's a little magic in every glass of Martini Dry. In its clean fresh taste. In its unique blend of the choicesi wines and herbs. But most magical of all it doesn't have to disappear at midnight.



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1375 12°CT

SSS EC ec-on, ich

iarks to maintain EMS agreed

tion was the highest since February 13 when the Bundes-

bank sold a record \$164.7m. Rumours that the authorities

were increasing the special Lombard rate from the current

rate of 12 per cent depressed the dollar Central bank activity

outside the fixing was estimated at around \$500m. Any rise in German interest rates could

guilder was fixed higher at FFr 2.1678 against FFr 2.1672.

+0.19

-0.74 +1.52 -0.13 +0.82 -0.02

Heavy central bank interven-tion and an easier trend in Eurodollar rates were the principal reasons behind a fall in the limits, causing the German currency to weaken against the dollar. The rise in U.S. interest dollar in currency markets yesterday. The Bundesbank and the Bank of France as well as D-mark, leading to speculation the Swiss National Bank were all about an increase in the Bundesactive in the market and this bank special Lombard rate—The fended to dampen the bullish Bundesbank sold over \$127m at tended to dampen the bullish feeling seen on Tuesday after yesterday's fixing in Frankfurt the latest U.S. GNP figures: and the dollar was fixed lower at DM 22880 compared with DM 22832 Yesterday's interven-

Sterling benefited from the dollar's down turn and improved against the U.S. unit although it lost ground against major European currencies.

little change within the Enropean Monetary System yesterday. The French franc remained at its floor level against the D-mark and hoth currenties received central bank support to show an improvement against the dollar. The D-mark was again

an improvement against the dollar. The D-mark was again the most improved currency.

DOLLAR — trade weighted index (Bank of England) was unchanged at 106 I. The dollar fell to DM 2.2989 against the D-mark from DM 2.3085 and SwFr 2.0475 from SwFr-2.0550. The French franc regained some of the ground lost recently with a gardner the dollar and Market an of the ground lost recently with against the the dollar finishing at FFr 5.54 currencles against FFr 5.56. In yen terms Socialist win the dollar eased to X220.80 from election. His

STERLING—trade weighted index (Bank of England) fell to \$8.5 from \$8.9, having stood at 98.5 from 88.5, naving stood at 98.5 at noon and 98.5 in the morning. Against the dollar, sterling opened at \$2.0775 and touched a best level of \$2.0975 before coming back at the close to \$2,0805-2,0815; a rise of just 25 points. The pound was easier against European currencies; falling to DM 4.7850 from DM 4.7975 and FFr 11.5275 from

D-MARK—Strongest member FFT 2.1678 against FFT 2.1672.

of the European Monetary System but the sudden fall of the FFT 11.5850.

OTHER CURRENCIES

EMS EUROPEAN CURRENCY UNIT RATES

7.96065 2.53464

Changes are for ECU, therefore positive change denotes work currency. Adjustment calculated by Financial Times

THE POUND SPOT AND FORWARD

	May 20.	apread.	Closs	One mouth	p.s.	months	P
	U.S.	2.0725-2.0975	. 2.0805-2.0615	0.85-1.05c dis	· - 5.77	3,35-3,46dis	
	Canada	2,4880-2.5100	2:4980-2.4970	1.35-1.45c dis		4.00-4.15dis	–6 .
	Nothing.	5.31-6.35	5317-5425	uc pm-u dis	0.28	ֆ pm-Դ dis	O,
	Balgium	77.75 78.25	_77.80-77.90	30-40e dis	-5.39	105-115 dis	-5 ,
	Denmark	15.00-15:07	15.00½-15.01¾	31, 47,ore dis.	-3.15	95-112 dis	-2,
	Ireland.	1,3070-1,3140	1.3090-1.3100	0.35-0.48p dis	-3.80	1,12-1,33dis	-3,
	W. Ger.	4.77-4:80	4.78-4:79	a-yot dis	-0.94	1-14 dis	-1,
	Portugal:	125.60-127.00	126.40-126,80	55-130c die	-8.77	155-335 dis	-7,
	Spain	189.80-190.80	189.65-190.05	105-135¢ dls	2.58	350-395 die	-7 .
	Italy	2.375-2.385	2,375-2,377	17-19 fire dis	-9.09	54-57 dis	–9 ,
	Horway	11.79-11.84	11.79 - 11.80 -	2 2 yore dis	-1.65	14-2% dis	-0,
	France -	11.49-11.56	. 11.52\ . 11.53\.	64-74c-dis		20-21 dis	-7,
•	Sweden	10.1 0 _ 10.22 \	. 10.17-10.18	27-35 ore dis		97-101- dia	-3.
	Japan			1.55-1.60y pm	4.63	5.25-4.70 pm	4.
	Austria	33.70-33.85		3gro pm-2 dis	0.18	3 pm-7 dis .	-0;
	Switz.	4.25-4.281	4.254-4.264	1e pm per		24-14 pm	1.
	·· Re	lainn mta is f	nr convertible	form Financi		70.05.50 05	

for conventible france. Financial franc 79.85-20.05 vari dellar 5.50-5.89c dis. 12-month 8.25-8.45c dis. May 19 France 11.54-11.55-, (close).

THE DOLLAR SPOT AND FORWARD

	Day's			*	Three	%
May 28	ebiása .	Close	One month	_ p.a.	months	. p.a.
UK†	2.0725-2.0975	2,0805-2,0815	0.95-1.05c.dis	-5.77	3,35-3,45dis .	-6.50
irələndi:	1.5900-1.6000	1,5900-1,5930	0.24-0.34c dis	-2.18	1.04-1,20dis	-2.81
Canada	T.2008-1.2071	- 1.2015-1.2019	0.05-0.02c pm	0.35	0.16-0.11 pm	0.45
Methind.	2.5440-2.5560	2:5520-2.5535	1.37-1.27c om	6.20	4.27-4.17 pm	· 6,61
Belgium	37.33-37.59	37.41-37.43	5-2c om		13-9 pm	1,17
Denmark	7.1840-7.2316		1.75-1.50ore cm		6.85-6.35 pm	3.66
N. Ger.	2.2800-2.3125	2.2975-2.2985	0.98-0,92pf pm-		3,16-3,70 pm	5.45
Pottubit	60.60-61.15	60.65-60.85	par-30c dis		20pm-60dis :	-1.32
Spain	81.25-91.47	.91.30-91.40	per-10c dis		15-30 die	-0.98
taly.	1,139-1,149	1,140-1,141-2			7-8-dis	-2.80
Norway	5.6570-5.6800		Z.45-1.95ore pm		8.35-7.85 pm	5.72
rance	5.5070-5.5425	5.5375-5.5425	1,20-1,70c dis		1.75-2.75dis	
Sweden	4.8790-4.9156		1.20-1.00ore om		3,60-3,40.pm	
lapan	219.50-222.75		2.00-1.85y pm		5.90-5.75 pm	
Austria		10.221, 16.237,	8.90-7.40gro pm		27.25-23.25pt	
Switz	2.0350-2.0620		1.42-1.32c pm		4,43-4.33 pm	

	1730 1.1200.	0-14 - 2000FE		10-2-0400 I,	44-1-360 BIN		3 4.43-4-0	Thirt own	ا هد
1	FRENCH FRANC-Very weak against the dollar and European	† UK and kela discounts appl	nd are qu y to the l	oted in U.S U.S. dollar	currency. F	orward a Indi	i premium vidual cun	s and rency.	-
Ŀ	currencies following the	CHERENCY	MOVE	UENTO	CURE	Enc	W DA	TEC	ı
5	Socialist win in the Presidential	CURRENCY	HOAFT	ATEK 12	, CURR	ERC	.1. KA	163	,
L	election. Higher interest rates	1.4.1		T .	· · · · · ·	Bank	Special	European	ı
	and heavy central bank support	May 20		Morgan	May 19		Drawing	Currency	l
ŀ	have failed to prevent the franc	May 20		Guaranty Changes 2		2	Rights	Unit	•
L	falling to the lowest position	<u> </u>			Sterling	12	0.562875	0.528264	l pi
Ī	within the EMS—The French franc remained very weak at	U.S. dollar	98.5 106.1		U.S. 3	14 1	1,17759	1.10354	l 18
•	'yesterday's fixing in Paris	Canadian dollar		17.7	Canadian &	18,98	1,41462	1.82515	pr
•	despite sales of around DM 150m	Austrian schilling.	115,1	+22.1	· Bekalum ·F_		48,9918	41,8415	in
!	by the Bank of France. The	Belgian franc Danish kroner	105,8	+9.7 -11.2	, Danish K,_		8,48748	7,96649	ďν
ì	D-mark remained at its cross	Deutsche mark	118.2	+89.0	D mark		3,70045 3,00581	2,53617 2,82176	Ā
	rate ceiling of FFr 2.4093 while	Swize franc	134.3		French Fr		6,50883		ac
:		Franch franc	109,5 82,6		· Lirat	19	1345,10	1362.45	tit
•	from FFr 5.52721. Elsewhere the	Lira	58.3	55.4	Yen		259,776 6,67929	243,056	Ξ.
ř.	Belgian franc slipped to	Yen	143,1		Spanish Pts:		107.396	100,809	to
	FFr 14.7615 from FFr 14.8010	Based on trade we		inges from	Swedish Kr	12 .	5,75488	6,39688	gi
	per BFr 100 while the Dutch	Washington agreem	ent Decen	aber, 1971.	Swiss Fr Greek Dr'ch.		2,40381	2,25730 61,6440	51 51
	guilder was fixed higher at	Bank of England h	uaex (out	te enemale	areak DI CIL			V	41

May 20			· · · ·	£ Note Rates
Afgentina Peso	6739-6759	5252-5242	Austria	55,65-34.00
Australia Dollar	1.8190-1,8250	0,8750-0,8755	Belgium	79,30-80,00
Brazil Cruzeiro	175,61-176,61	84,26,84,68	Denmark	14,95-15,10
Finland Markka	8,96-8,97	4.5050-4,3070	France	11,45-11,58
Greek Drachma	115,189-118,091	55.60-56,80	Germany	4.7714.4.8012
Hong Kong Dollar	11,52-11,34	5,4400-5,4450	Italy	2340-8390
tran Rist			Japan	459-465
Kuwait Dinar(KD)	0.574-0.580 ·	0.2779-0.2781	Notherlands	5,30-5,34
Luxembourg Fre.	77.80.77.90		Norway	11.76-11.86
Majaysia Dollar	4.8525-4.8625	2,3320-2,3350	Portugal	124-130
New Zealand Dir	2,3620-2,5670	1,1555-1,1565	Spain	185-196
Saudi Arab, Riyal	6,98-7,04	-3,3798-3,3818	Sweden	10,18-10,28
Singapore Dollar.	. 4.45.4.47	2,1435-2,1465	Switzerland	4,24-4.28
Sth African Rand		0,8420-9,8430	United States	2,08-2,0912
U.A.E. Dirham			Yugoslavia	74-81
ود مستسبب الم				

EXCH/	ANGE	CROSS	RATES

7.91917 2,54502 5.99526

2.81318

nish Krons

May 20	PoundStarling	U.S. Dollar	Deutschem'k	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Beigian Franc
Pound Sterling	0.481	2,081	4.785	459.5	11,528	4,263	5,320	2376.	2,497	77,85
U.S. Dollar		1.	2,299	220.8	5,539	2,048	2,556	1142.	1,200	37,41
Deutschemark	0.209	0.435	1.	95.03	2,409	0.891	1,112	496,6	0.522	15,27
Japanese Yen I 000	- 2.176	4.529	10.41	1000	25,09	9.276	11,58	5171.	5.433	169,4
French Franc 10	0.867	1,805	4.151	598,6	10,	5,508	4,615 -	2061.	2,156	67,53
Swiss Franc	0.235	0,488	1.123	107,8	2,704	1	1,248	557.4	0,586	18,26
Outon Guilger	0.188	0.391	0.899	86,37	2,167	0.801	1.	446.6	0.469	14.53
Italian Lira. 1,000	- 0.421	0.876	2,014	193,4	4,858	1,794	2,239	1000.	1.051	32.77
Canadian Dollar	0.401	0.834	1,917	184.1	4,617	1.707	2,131	951.7	1.	31.18
Belgian Franc 100	1.285	2,673	6,146	590.2	14,81	5.475	6,834	3052.	3,207	100.

±1.6413

FT LONDON INTERBANK FIXING (11.00 a.m.	MAY 20)
3 months U.S. dollars 6 months U.S. dollars	The fixing rates are the arithmetic means, rounded to the negrest one-sixteenth, of the bid and offered rates for \$10m quoted by the market to five reference banks
bjd 1814 - offer 1858 - bid 175/4 offer 177/8	at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationals de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

May 20	Sterling	U.S. Dollar	Ganadian Dollar	Datch Guilder		West German Mark	French Franc	italian Lira	Beigian Franc Convertible	Japanese Yen
Short term	117g-12	181 ₂ -185 ₃ 185 ₈ -187 ₈ 175 ₈ -175 ₄ 183 ₆ -185 ₆ 175 ₃ -18 167 ₈ -171 ₈	1719-1814 1714-1814 1814-1818 1812-1818 1754-1818 1718-1712	1065-1076 1078-1118 1114-1119 1154-12 1178-1218 12-1214	14-3 112-2 9-3-9-3 913-913 913-10 914-93 ₈	11 is-11 is 11-11 is 12 is-12 is 12 is-12 is 12 is-12 is 12 is-12 is	17-1712 18-19 1912-2012 1912-2012 1812-1914 17-1758	19.22 30.211 ₂ 2014.21 21.213 ₄ 2034.211 ₂ 201 ₂ -201 ₄	15-17 15-17 15-16-16-16 17-34-18-34 16-14-17-14 16-17	5-6 61 ₈ -63 ₆ 61 1 -7- 15 714-7 15 714-8 8-814

SDR-inited deposits: one-month 14½-14½ per cent; three-months 15½-15½ per cent; six-months 14½-15½ per cent; one-year 14½-14½ per cent.

ECU Inited deposits: one-month 14½-14½ per cent; three-months 12½-15 per cent; six-months 14½-14½ per cent; one-year 14½-14½ per cent.

Asian S (closing rates in Singapore): one-month 17½-17½ per cent; three-months 18½-18½ per cent; six-months 17½-17½ per cent; one-year 17½-17½ per cent.

Long-tera Eurodollat two-years 16½-16½ per cent; three-years 16½-16½ per cent; four-years 16½-16½ per cent; inve-years 16½-16½ per cent; nominal closing rates.

Short-term rates are call for U.S. dollars, Conedian dollars and Jamesa yen; others two days' notice.

The following nominal rates were quoted for London dollar certificates of deposit; one-month 18.60-18.70 per-cent; three-months 18.00-19.10 per cent; six-months 18.00-18.10 per cent; one-year 16.80-17.20 per cent.

INTERNATIONAL MONEY MARKET GOLD

German call rate cut Quiet

Call money fell to 11.50-11.80 high U.S. rates. In the last month per cent in Frankfurt yesterday, with the Bundeshank special Lombard rate remaining at 12 per cent, despite rumours in the foreign exchange market that the rate had been increased.

On the other hand use of the last month the last month the three-month bill discounting rate has risen to 7.40625 per cent from 7.28125 per cent.

In Paris the private and state owned banks raised their base rates to 157 per cent from 147 per cent, following the recent foreign exchange market that the rate had been increased.

On the other hand use of the Lombard facility, has been minimal thanks to the abundant supply of liquidity, and a change in credit policies is not expected at today's Bundesbank central council meeting.

In Paris the private and state owned banks raised their base rates to 15? per cent from 14? per cent market rates. Call.money rose to a record 17! per cent on Tuesday.

in credit policies is not expected at today's Bundesbank central council meeting. Minimum reserve requirements of the commercial banks, non interest bearing accounts held with the Bundesbank, are well ahead of the central bank's demands despite the draining of funds by tax payments and other adverse factors. This may lead to intervention by the authorities to vention by the authorities to absorb liquidity with the inten-tion of preventing a slide in interest rates which would further depress the D-mark against the strong dollar.

In Tokyo interest rates have been pushed up recently, in contrast to the weaker trend which
followed the cut in the Bank of
Japan discount rate in March.
The authorities have intervened
to prevent increased liquidity from depressing Japanese in-terest rates and leading to an

outflow of capital alum	crea ny .
MONEY RATES	117
NEW YORK Prime Rete Ford. Fund Transury Bills (13-week) Transury Bills (26-week)	15.95
GERMANY Special Lombard Overhight Rato One month Three mosths Six months	12.85
RRANCE Intervention Rate	18.0 17.5 —
IAPAN Discount Rate	6.25 7.00 7.40525

Gold closed unchanged from Tuesday in the London bullion (\$513.01) in the morning and market yesterday at \$4774-4801. FFr 92,000 (\$517.70) on Tuesday afternoon.

featureless and the metal was unaffected by a slight easing in silver in early trading. There was also little movement after the entry of New York

In Paris the 124 kilo bar was fixed at FFr 91,700 per kilo (\$518.24 per ounce) in the afternoon compared with FFr 91.500

	Ma	ay 20.	May 19							
	Gold Builion (fine ounce)									
Opening Morning fixing Afternoon fixing	\$477.480 \$478.25	(£229 ¹ 2-231 ¹) (£229 ³ 1-231 ¹ 4) (£229-707) (£229-953)	\$47712 48012 \$48112 48412 \$483.25 \$481.50	(£2291 ₈ -231) (£2293 ₄ -2311 ₄) (£230,800) (£230,570)						
		Gold Coins								
Krugerrand 1/2 Kugerrand 1/4 Krugerrand 1/4 Krugerrand 1/10 Krugerrand Mapieleal Mapie	\$1294, 1305, \$553.54 \$553.54 \$4881, 48912 \$129.131 \$129.131 \$196.199 \$594.589 \$454.489	(£237.2371 ₈) (£1281 ₄ -1281 ₄) (£621 ₄ -528 ₄) (£251 ₄ -26) (£2543 ₄ -26) (£571 ₂ -55) (£62-63) (£62-63) (£94-951 ₂) (£2852 ₂ -2677 ₄) (£228-2251 ₄) (£281-2831 ₂)	3494.495 32544.2554 \$1294-1304 853.54 4489.490 \$1204-121 \$130.132 \$196.200 \$600.604 \$467.471 \$585.590	(£2374, 23814) (£1221 ₂ -123) (£621 ₂ -65) (£621 ₂ -65) (£2351 ₄ -2355 ₄) (£571 ₄ -581 ₄) (£622-2531 ₂) (£622-351 ₂)						

Conditions were very quiet in the London money market yes terday, despite the fact that it was published figure day for the banks. Topping up of reserve asset positions may have taken place, but probably not on a significant scale, and there was also little evidence of the forecast surplus of day-to-day funds.

In the event the supply of money maturing eligible bills in official hands.

Discount houses paid up to 11½ per cent for secured call loans, with closing balances taken at 10-10½ per cent. Interplace, but probably not on a significant scale, and there was also little evidence of the forecast surplus of day-to-day funds.

Adequate

Bank of England Minimum

Lending Rate 12 per cent (from March 10, 1981)

supply

LONDON	MONE									· :
May 20 1981	Sterling Certificate of deposit	interbank		Local Auth. negotiable bonde	Finance House Deposits	Company	Discount Market Deposits	Treasury Bills &	Eligibic Bank Bilis è	Fine Trade Bills &
Overnight	11/5 11/3 121g 12 12/5 12/5 12/5 12/5 12/5 12/5 12/2 12/5 12/2 12/5	8-15 	11-1114 1119-1155 1174-12 1176-12 1214 1214-1214 1214-1214 1214-1216	127 ₅ -123 ₅ 13-123 ₄ 13-123 ₄ 12-123 ₅ 134-127 ₈ 134-127 ₈		1114-12 1114-12 1219-1236 1236-1234 1236-1236 1236-1236 1236-1236	1150	 114-114 114-114 118-114	113-116	124 125 125 126 126

Local authorities and snance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage in table are buying rates for prime paper. Buying rates for four-month bank bills 11-22 per cent; four-month trade bills rates nominally three years 134-135 per cent; four years 137-137, per cent; five years 133-14 per cent. 45enk bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 112-112 per cent four-month trade bills

12's per cent.

Approximate selling rate for one-month Treasury bills 11's per cent; two-months 11's per cent; three-months 11's, per cent; two-months 11's per cent; three-months 11's, per cent; two-months 11's 11's, per cent; two-months 11's 11's per cent; three-months 12's per cent; two-months 12's per cent; three-months 12's per cent; two-months 12's per cent; two-months 12's per cent; two-months 12's per cent; two-months 12's per cent and three-months 12's per cent; two-months 12's per cent and three-months 12's per cent; two-months 12's per cent and three-months 12's per cent; two-months 12's per cent and three-months 12's per cent; three-months 12's per cent and three-months 12's per cent; three-months 11's per cent; three-months 12's per cen par walle

Minorco set to acquire S. Africa coal producer in U.S.

BY GEORGE MILLING STANLEY

THE Bermuda-registered Minerals the target concern made net Coal in a share exchange worth and Resources. Corporation profits of \$5.2m in 1980, but they more than \$210m. and Resources Corporation (Minorco) yesterday began its second major acquisition in North America since it was restructured to be the Angio American Corporation group's vehicle for expansion outside South Africa. Last month, Minorco combined

with Canada's Hudson Bay Mining and Smelting (Hudbay), another company in the Anglo American group, to buy the 55 per cent of Terra Chemicals international not already owned in a deal worth about \$113m

latest deal, beyond the fact that expected Minorco and Hudbay have reached what is called a "tentative agreement" to acquire a Minorco. tive agreement. To acquire a privately-owned coal company in the U.S. for a combination of cash and notes worth a total of cas

Diamond Shamrock will exchange about 6.2m of its declined to reveal its name. The coal company is believed to be primarily a producer of thermal coal, used for power generation.

is known at this stage about the deal is that it still requires the approval of the directors of all three companies directly con-cerned, and of the coal com-pany's shareholders.

with a small proportion of its shares of Amherst, reporting the being coking coal, used Betts from New York. principally in steelmaking. The acquisition is in line with

The main reason why so little the recent trend towards big oil companies taking over the country's coal assets. Major acquisitions have been made in recent months by, among others, Gulf Oil and the BP subsidiary

pany's snarework.

Pany's snarework and Hudbay said in Toronto yester—Hudbay said in Frankain in

pany, yesterday announced that and low-sulphur steaming coal. The two companies said that it has agreed to acquire Amherst reserves.

Cooper Basin gas price raised

n the dispute between the prolucers and the Pipeline Authority of South Australia, ecording to Santos, the consorium leader.

The new price has been raised o 61.34 Australian cents per gigajouse compared with the 1.65 cents price before the dispute.

The price rise will be backdated to January 1981, and will be reviewed in January next

The Cooper Basin gas producers include Santos, Delhi Corporation, Vamgas, South Corporation. Australian Oil and Gas, Total Oil, Crusader Oil, Bridge Oil, Alliance Oil, Reef Oil and Basin

Meanwhile, Santos reports that the McKinley 1 exploration well, located 50 km from the Moomba Strzlecki oil field in South Australia recovered 16 barrels of 42 degree API oil and six barrels of drilling mud from the drill string. This followed a drill stem test over the in between 4,042 to 4,086 ft. interval

A second drill stem test over the interval between 4,060 to 4,119 ft flowed water to the interval between 4,060 to surface as well as minor quanti-

interest in the well, Delhi Corporation holds 21 per cent, Vamgas 7 per cent, South Australian Oil and Gas 7 per cent and Crusader Resources 30 per cent.

Gas and oil sales of Global Natural Resources during the quarter ended March 31 totalled \$5.42m in the same period last

first three months of 1980. U.S. taxation declined to \$100,000 from \$246,000 but Indonesian taxation increased to \$1.94m from \$1.04m.

Exploration costs rose sharply to \$1.744m from \$457,000. The company's U.S. subsidiary has entered into oil and gas exploration agreements with three American companies calling for U.S. exploration expenditures estimated at \$7m to \$12m over the next two years depending on the volume of drilling.
The first of the three com-

panies, Consolidated Resources of America, will assemble ex-ploration prospects in Louisiana

Australia's Cooper Basin gas ties of gas. McKinlay 1 has a and the Texas guif coast, the producers have been awarded an target depth of 5.100 ft. second, Grabar Petroleum, will 18.76 per cent increase in gas Santos has a 35 per cent locale and prepare prospects in the well, Delhi Cortal the permian basin of Texas and the remain basin of Texas and the permian basin of Texas and the Texas guif coast, the second, Grabar Petroleum, will be permian basin of Texas and the Texas guif coast, the second, Grabar Petroleum, will be permian basin of Texas and the Texas guif coast, the second, Grabar Petroleum, will be permian basin of Texas and the Texas guif coast, the second, Grabar Petroleum, will be permian basin of Texas and the Texas guif coast, the second, Grabar Petroleum, will be permian basin of Texas and the Texas guif coast, the second grabar permian basin of Texas and the Texas guif coast, the second grabar permian basin of Texas guif coast, the permian ba

KCA International has purchased the 49 per cent minority interest in KCA Baron, the Texas-based oil and gas production, development and compared with tion group, at a cost of just over the same period last U.S.87.5m.

ear.

KCA International's original
The company, which has opera51 per cent interest was accurred indus in the U.S., Canada and in January, 1981. KCA Baron Indonesia, reports that net has subsequently been developing in the subsequently been developing its existing acreage and acquiring new acreage. The former estimates its assets in the former estimates its assets in the former estimates its assets. to be in excess of \$44m at current values. The 49 per cent interest is

being acquired from Mr. Rick Taylor, his family interests and other KCA Baron directors. KCA International will pay an initial consideration of just over Sin with the remaining \$4.5m payable over the next three and a half years. Following the deal, Mr. Taylor

will resign as president of KCA Baron, but will remain as a consultant to assist KCA in the identification of further Ameri-

lifts uranium output

SOUTH AFRICA'S output of uranium reached a record 6,146 tonnes in 1980, according to Dr. Wynand de Villiers, chairman of shares of Amherst, reports Paul of 28 per cent on 1979's 4,797 lonnes.

> The figures do not include the Rio Tinto-Zinc group's Rossing mine in Namibia, where last year's production was about 5,250 tonnes, reports Bernard Simon from Johannesburg.

Dr. de Villiers also releases the board's latest review of South Africa's uranium reserves, which appears every two years. The board estimates that the country has 531,000 tonnes of uranium recoverable at a cost of less than U.S.\$130 per kilogram, equal to

about \$60 per pound. This figure is virtually un-changed from the estimate made two years ago, despite the amount of exploration activity which has cone on in the intervening period, largely as a result of the rapid escalation of costs South Africa 5

Falconbridge gold mine on target

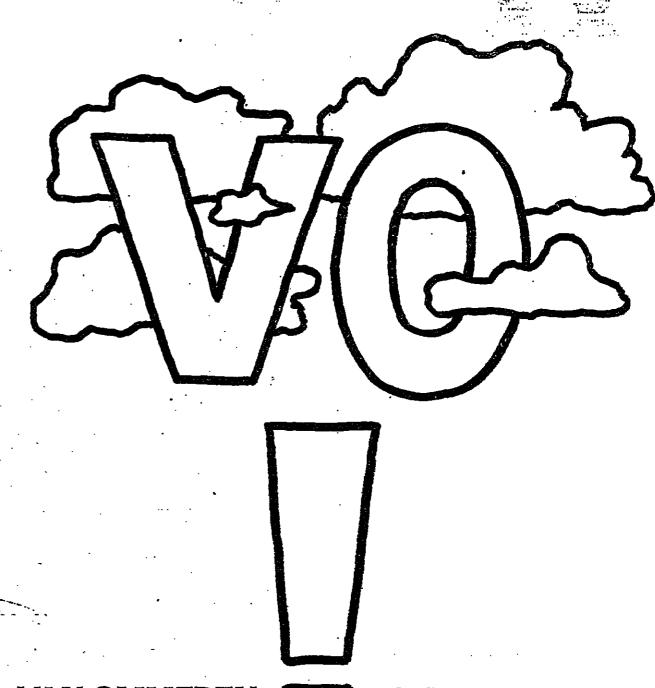
THE KIENA gold mine near Val making rapid progress towards a start to production, reports our Toronto correspondent.

The operation, owned as to 68 per cent by Canada's Falconproject that will see ore shinned for custom milling to the nearby concentrator, Lamague Mine belonging to Teck Corporation.

Construction of the surface plant is nearing completion, while underground development work and equipment installation production are is already being delivered to the concentrator.

Ore shipments will increase throughout the summer, and the Kiena mine is expected to reach its full productive capacity of 300,000 tons of ore a year during the fourth quarter as planned. The mine should produce

65,000 nunces of cold a year, and will make a substantial contribution to Falconbridge's earnings. can acquisitions. KCA Baron's Ore reserves are estimated at new president will be Mr. 25m tons, grading 7.15 grammes of gold per ton.



VAN OMMEREN



The second of th

key figures from the

annual report 1980

The annual general meeting of shareholders will be held on Tuesday, May 26. at 3.00 pm at the company's offices at Westerlaan 10, Rotterdam.

The annual report is available on request. Inquiries by telephone or letter may be addressed to: Phs. van Ömmeren NV public relations post office box 1923 3000 BX Rötterdam

telephone 010-642620 telex 21616

1979 1980 in millions of guilders

580 **865** furnover 104 157 cash flow 47 92 net profit 102 141 investments 538 581 shareholders' equity 280 273 long term liabilities

in guilders per share of fl 10

56 shareholders' equity 9 netearnings

NEW YORK

Air Prod & Chem 445, 445a
Aizona 1378 14
Aizona 1378 14
Aibany Int. 3331 333
Aiberto-Culv 1414 14
Aiberto-Culv 24 241a
Aibertoon's 24 241a
Aican Aiuminium 513a 513a
Aica Standard 1914 9914
Aica Standard 4914 995
Ailied Corp. 575a 561a
Ailied Corp. 575a 561a
Ailied Chaimers 261a
Ailied Chaimers 261a
Ailied Chaimers 135a 135a

Am. Airines.... Am. Brands....

Am. Nat. Resces, 41 41% Am. Nat. Resces, 41 41% Am. Petfina 514 52 Am. Quasar Pet 254, 254

Am. Standard ... 3912 Am. Stores ... 2513 Am. Tel & Tel ... 5713 Amfac ... 2414

Arcatz, 201; Archer Daniels... 201; 341;

Armstrong CK... 17 17:8
Asamera Oil.... 14:4 15
Asarco... 45:9 45:4
Ashland Oil... 27:8 27:4
Assd D Goods... 27:8 27:4
Atlantic Rich... 47:5 48:4
Auto-Data Prg... 58:4 58:8
Aveo... 28:2 27:8
Avery Inti... 21:4 22

Big Thee Inds.... 34 Black & Decker... 177

Boise Cascade... 4312

Srockway Glass. 147s 15

Brown Forman B 595s 601s

Brown & Sharp. 241s 24

Browng-Ferris 351s 343s

Brunswick 195s 197s

Bucyrus-Erie ... 1958 Burlington Ind... 2518 Burlington Nrhn. 5836 Burndy ... 42 Burroughs ... 475; CBI Inds ... 475;

Carter Hawley..... 18 18

Caterpillar
Celonese Corp.
Central & Sw.
Central Soya
Central Tol Util
Certain feed
Aircraft.
Champ HomeBid
Champ Int.
Champ Sp Plug
Charter Co.
Chase Manhatt'n
Cheese Pond
Cheege Pond
Chrysler
Chrysler
Chubb

Braniff Intl...... Briggs Stratn.... Bristol-Myers

Beth Steel..

25½ 25¾ 34 34¾ 1778 18¼ 38 34½ 25¾ 25½ 32¾ 5278

34 15

Amstar Amstead Inde.... Anchor Hockg.... Anheuser-Bh.....

Amstar ..

324 553 3118

ASA AVX Corp Abbott Labs

Schlitz Brew J.... Schlumberger....

St'd Brds Pant.... Std Oil Clifornia. Std Oil Indiana... Std Oil Ohio......

Stanley Wks....... Stauffer Chem... Starling Drug..... Stevens (JP)......

Stevens (IP)...
Stokely Van K...
Sun Co...
Sunbeam...
Sundstrand...
Superior Oil...
2 Super Val Strs...
Syntex...
TRW...
Taft...
Tampax...

36 32⅓

May | May 19 | 18

MGM 11154 Metromedia 136 Mitten Bradley 2956 Minnesota MM 5646 Missouri Pau 96 Mobil 5919

| Monarch M/T | 24 | Monarch M/T | 25 | Moore McCmrk | 55 | Morgan (JP) | B | Morgan (JP) | B | Munsing wear | 15 | Murphy (GC) | 20 | Murphy Oil | 32 | Nabisco | 30 | Murbhy Oil | 30 | Murphy Oil | 30 | Murphy

Norfolk & Westn| 43½ | 45% Nth. Am. Goal.... 29 | 29½ Nth. Am. Philips.| 50% | 50½ Nthn. State Pwr.| 23¼ | 23% Northgate Exp... 7½ | 7¼

Pac. Tel. & Tel. ... 1314 1278
Palm Beach ... 2679 2739
Pan Am Air ... 5 519
Pan. Hand Pipe 3979 40
Parker Drilling 27 2678
Parker Hanfm 3555 35
Peahody Intl. ... 758 713
Penney (JC) ... 3434 3458
Pennyalt ... 3158 5119
Pannzoil ... 3959 3954
Peoples Gas ... 4446 444

| Republic Steel | 3014 | 3012 | Rap of Texas | 4234 | 4312 | Rasch Cottrel | 1612 | 17 | Resort Int A | 2512 | 25 | Revoo (DS) | 39 | 40 | Revere Copper | 2412 | 2434 | Revion | 4214 | 4268 |

Nthn. State Pwr. 251,
Northgate Exp. 71,
Northrop 491,
Northrop 551,
Nwest Airlines 286,
Nwest Inds 487,
Nwest Inds 98,
Nwest Steel W. 281,
Norton 5theon 157,
Occidental Pat. 271,
Ogden 358,
Ogilyy & Mirth. 321,

773g 151g 193g 331g 501g

Stock

Gt. Atl. Pac. Tea Gt. Besins Pet Gt.Nthn.Nekoose Gt. West Financi. Greyhound

Hall (FB) Hallburton..... Hammermill Ppr.

Harsco 39
Hecia Mining 214
Heinz (HJ) 5312
Heller Intl. 23
Hercules 2418

lewel Cos

Leaseway Trans. 3512 3358
Lenox. 3978 5912
Levix Strausa. 3612 3714
Levix Furntr. 34 3378
Libby Owens Fd. 2653 2738
Liliby Lilib. 6112 65
Lincoln Nat. 4138 4112
Litton Inds. 72 75
Lockheed. 3813 3818
Loews. 8912 9038
Loews. 8912 9038
Loews. 8912 9038
Lone Star Inds., 3214 3258
Longs Drug Stra. 3112 3148
Louisiana Land., 3758 3758
Louisiana Land., 3758 2778
Lowenstein... 3159 2778
Lowenstein... 3159 2778
Lowenstein... 3150 2758
Lucky Stra... 1554 1678
MCA.... 5412 5558

37 381₂ 357₈ 167₈ 681₄ 374₈ 374₈ 151₄ 891₈

Macy Madison Fund... Micrs Hanover...

Marathon Oil...

May | May 19 | 16

Columbia Gas.... 35 55
Columbia Pict.... 39 39
Combined Int...... 2178 2178
Combustn. Erig... 1874 4394
Cmwith.Edison... 1874 1936
Comm. Satellite... 5578 5514

| Cons Edison | 2714 | 2756 | 2756 | 2018 Foods | 3519 | 3516 | 2516 | 2516 | 2018 Freight | 4016 | 4114 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 | 4756 |

Crown Zell 4012 Cummins Eng 5014 Curtise Wright.... 39 Damon 878

Eastern Airlines... 107g Eastern Gas & F. 245g Eastman Kodak.. 75 ie Eaton ... 363g

Ex Gall 0 5114 3114
Excon 5415 6555
FMC 3212 5255
FMC 3212 5255
Faberge 2312 2275
Fadders 715 712
Fadders 715 712
Fadders 715 2415
Fad. Mort. 918 93
Fad. Paper Brd. 3553 3536
Fad. Paper Brd. 3553 3536
Fad. Resources 478 5
Fad. Dap. Stores 3814 3856
Fleidcrest Mi 5116 3312
Firestone 1176 2312
Ist Bank System 4512 4912
Ist Charter Fin. 1534 1534

| Florida Pwr & L. 281c | 283c | 283c | 507c | 281c | 283c | 283c

Dart & Kraft.....

May 19

Fra. փիսin d

Wall St opening rally falters A FIRMER opening on Wall the sector's index down 21.2 at Street yesterday was short-lived 4.540.4 by mid-day.

among the Blue Chips, with higher U.S. interest rates again identified as the main depressant.

By 1 mm the New York 1 mm the New 1 mm the Ne

dustrial Average had shed a further 3.70 to 976.31 after its fall of 5.76 at Tuesday's close. Volume was a moderately active 31.69m shares (30.43m) and advances overall were none the

less narrowly outpacing declines. The NYSE All Common Index eased 8 cents to \$76.39. Among the improving stocks, Iowa Beef Processors rose \$1 to \$52} by noon on sharply higher second-quarter earnings. Continental Group, which projected higher 1981 net, advanced \$11 to \$35%. Active Lockheed gained \$23 at \$403.

On Nasdaq, UA-Columbia rose \$37 to \$84 bid, after announcing that it is considering a \$90 a share merger proposal from Rogers Telecommunications and United Artists Theatre Circuit, which tops a \$80 bid by Knightwhich tops a \$80 bid by Knight-Ridder and Dow Jones. United Artists Theatre Circuit eased \$\frac{1}{2}\$ to \$46\frac{1}{2}\$ bid, while on the NYSE Knight-Ridder was unchanged at \$36\frac{1}{2}\$ and Dow Jones. was \$\frac{1}{2}\$ firmer at \$36\frac{1}{2}\$. THE AMERICAN SE Market Value Index gained 1.55 to 369.02 by 1 pm on volume of 3.58m shares (3.73m).

Canada

The Toronto market bagan a reversal of Tuesday's steep decline. Noon declines out-numbered advances 190 to 184 as the Composite Index gained 2.4 to 2,321.5.

Among weaker Metals, Dome Mines was off CS₁ at CS29₁. Campbell Red Lake CS₁ at CS21₂ and Glant Yellowknife CS₂ at CS19₂. Brenda Mines eased CSi to CS281. Cyprus Anvil CS1 to CS201 and Falconbridge Copper CS1 to

Golds were sharply lower, with

Tokyo

A marked recovery began, with the Nikkei-Dow Jones Mar-ket Average regaining 107.28— more than half its 187.88 plunge more than half its 187.88 plunge on Tuesday—to close at 7.371.27.

Bargains were hunted over a broad front, and advances led declines 445 to 149, but trading was thin with volume of 300m shares (440m) as many investors. shares (440m) as many investors stayed on the sidelines. The Tokyo New SE Index rose 6.79

to 546.80. Vehicles, Vehicles, Heavy Electric support buying limited the fall Machines, Natural Resources, and Centrale closed above its Electricals and Precisions were day's lows at £11,000, down all higher but failed to offset L800 on the day.

Tuesday's losses.

Isuzu Motor gained Y59 to
Y354 encouraging other vehicles.

Toyota added Y40 to Y970,
Honda Y34 to Y870 and Nissan
Y20 to Y311.

Electrical Hitschi rose Y9 to

Y20 to Y811.

Elsewhere, Hitachi rose Y9 to Y637, Mitsubishi Electrical Y15 to Y322, Mitsubishi Heavy Industries Y8 to Y267 and Kawasaki Heavy Industries Y4 to Y206. Sumitomo Metal firmed Y4 to Y252 on foreign purchases, belging other Stools recover. helping other Steels recover. Other major gainers included Nippon Oil, up Y50 to Y1,050, Mitsul Mining the same amount to Y460, Olympus Y70 to Y1.770 and Sharp Y45 to Y830. However, Sony eased Y60 to Y4,780 and Fuji Film Photo Y10 to Y1,660. The second market was

Hong Kong Buying interest centred on leaders, taking the Hang Seng Index 30.73 up at 1,585.10 for the half-day session. The rise was an unexpectedly strong technical adjustment after Tuesday's 7.86

All leaders gained—Cheung Kong 50 cents to HK\$28.30, Hong Kong Bank 30 cents to HK\$15.90. Hong Kong Electric five cents to HK\$6.30 ex all, Hong Kong Land as President today.

on exchange control charges triggered sharp losses for Centrale and other Ambrosiano group issues. But institutional support buying limited the fall

Pirelli Co. lost L309 to L4.701 but Pirelli Spa firmed L62 to L2.2610. Flat added L95 to 12,480. Bonds were neglected.

Germany

Leading issues weakened in Frankfurt, with Banks particularly under pressure following rumours that the Bundesbank might raise the 12 per cent special Lombard rate.

The Commerciank Index fell 2.5 to 705 and the Banking sector was fed down DM 3.10 by Dresdner, at DM 141. Commerz-

bank itself shed 60 pfennigs to DM 128. DM 128.
Engineerings were easier, with Linde down DM 2 at DM 308.50. while in Steels Mannesmann shed 50 pfennigs to DM 140.50.
On the Bond markets domestic

Public Authority paper and D-Mark Eurobonds each lost up to one point.

Bourse prices firmed in active end-of-account trading, largely a technical reaction to recent losses. Operators are awaiting indications of the details of M. Francols Mitterrand's economic policy following his inauguration

In higher Metals, Vallource rose 20 centimes to FFr 41.8 on its smaller group net loss for 1980, while in Vehicles, Feugeet 30 cents to HK\$21.80 and Swire gained FFr 8 to FFr 153.

Pacific "A" 60 cents to HK\$19.20. Electricals wars. Electricals were mixed as An analyst said institutional buying, especially from London, Uclaf rose FFr 3 to FFr 163.

Milan

Drices on the Milan bourse

Electricsis were mixed, as were Chemicals where Remed.

Uclaf rose FFr 3 to FFr 163.

In the Foreign sector, Americans, Germans, Dutch Oils, Gold Mines and Coppers all eased.

Australia

Coal and Cooper Basia Gas stocks underpianed firm Sydney trading as the heat came off the banking sector in response to ANZ's withdrawal from takeover plans.

The All Ordinaries Index was 2.9 higher at 692.7 while its Metals and Minerals counterpart gained 7.7 to 606.2 and the All Resources 5.8 to 652.0 CBC led the Banks with a rise of 26 cents to 5.86 as traders narrowed the gap between the ruling market value and National Bank's two-for-one take over offer, which fell to the equivalent of ASE 40 as its shares shed 5 cents to ASE 30 shed 5 cents to A\$3.20.

ANZ, which broke off merger ANZ, which broke off merger talks with CBC earlier this week, eased the same to A\$4.70, as did Bank of New South Wales to A\$3.05. Its takeover target, CBA rose 6 cents to A\$5.65; Among Gas Issues, Vangue rose 26 cents to A\$9.36, Crusader 10 cents to A\$5.30 while Santos and Bushum added 20 cents rose. and Bridge added 20 cents each to A\$6.16 and A\$6.60 respectively after the South Australian Pipe.

Johannesburg

increase.

Golds moved lower in line with the bullion price in another quiet trade. Among heavyweights, Vaal Reefs shed R1 to R82.75 while lesser-priced producers eased between five and 50 cents. In generally neglected Mining Fla-ancials, Anglo American was unchanged at R16.30 white in Diamonds, De Beers shed 32 cents to R9.53 after R9.45.

i Mar.

line Authority granted a price

	Timken Tipperary Tonka			available Hong Kong Electi	its to HK\$15.90. Francols in the five cents to policy follows:	Mitterrand's economic uncluding his inauguration Diameter Control	hanged at RI6.30 while i monds. De Beers shed 3 is to R9.53 after R9.45.
	Trans Transamerica	334 23 221 ₂ 227		pricting (.HOLLAND	I AUSTRALIA	JAPAN (continued)
	Transway Trans World., Travelers Tricentrol	2512 251 471g 477	May (May 20 Price + o	May 20 Price + c	Price + or	May 20 Price + or Yen -
	Tri Continent	3 217g ; 217	Abitibi 2612	265e Petrofina	Abold 68.8	Alistate Expl 1.05 0.1	Kyoto Ceramic4.500
	Triton Oli Gas 20th Cent. Fo Tyler UAL	2512 25	Alcan Alumin 375; Algoma Steel 461;	451s Soc Gen Beige 1,010; +10 361s Sofina 2,400 —50	AKZO	7 Ampol Pet	Maeda Cons 380 +15
	UMC Inds UNC Resource Unitever N.V	1158 ; 115 1258 ; 131	g BK Montreal 271g 1 4 BK Nova Scotia 271g 1	2776 Traction Elect	AMRO	Aust. Guarant 1,910.0 8 Aust. Nat. Inds 5.65	2 Marudal
	Union Camp Union Carbide UnionComme	i 576a . 565	Bell Canada	Vieille Mont. 1,122 -2	Buhrmann-Tet 60 +1 Caiand Hidgs 34,1 -0. Elsevier	5 Bank NSW	M'ta Elec Works, 609 +4
	Union Oil Cal. Union Pacific	337 ₈ 345	BP Canada 4572 Brascan A 3414	1919 4612 918 DENMARK 918 Nav 20 Price 1 de	EuroCom Tst 76.5	Bi'ville Copper 1.65 +0.0	M'ibishi Elec 322 +15 4 M'bishi Ri East 429 +1
	Unito Brands . Utd. Energy R	es. 4014 391	B. C. Forest 203	203 ₈	Heineken	7 Bridge Oil	Mitsul RI Est 573
	US Fidelity G. US Gypsum US Home US Inds	27 285	Can Cement 151g	35. Andelsbanken	4: Int-Muller	GRA	NGK insulators 412 : —ā Nippon Denso 1,290 +18 Nippon Gakki 886 +4
	US Shoa US Steel US Surgical	40 40 32 324	Can Parm Mtg 26k	55% Danske Bank 115	6 Ned Cred Bank 45 +0. Ned Mid Bank 154.5 -2	Castlemaine Tys. 2.9	Nippon Meat
	US Tobacco US Trust Utd. Technolg	38 384 26 26	Can imp Bank 2938 Cdn inds 3512	Forenede Brygg. 364 +1 Forenede Damp 2893.	4 Ommeren (Van). 34.9 +0.	Cockburn Cemt. 1,80	Nippon Steel 219 487 Nippon Suisan 235 -3.
1	Utd. Telecom Upjohn VF	ms 191 ₆ 19 631 ₂ 634 345 ₆ 341 ₆	Can P. Ent. 2478 3 Cdn Tire 35	343. Nord Kabel 141 —1 3 Novo Ind	Phi/ilps	Cons Gold 6.5 +0,2 Containers 3.75	Nisshin Flour 350
	Varian Assocs Vernitron	2578 2618 17 174	Chieftein	Privatbanken 121.4	Rodameo	1.28	Nomura
	Virginia EP Vulcan Matris Walker (HM) C	, 481g 481g	Cons Bathst A. 273g 2 Coseka Res 2050 2	S. Berendsen	6 Royal Dutch 93,2 i —2, Slavenburg's 117,8 i —4,	Gen Prop Trust 1.74 Hamersley 4.2	' I Renown 790 :
-	Walface Murra Wal-Mart Stor Warnaco	y 456a 465a 6s. 381 ₂ 385a 237a 233a	Daon Devel. 115g 1	178 FRANCE	Tokyo Pac Hg 234 +1 Unilever	ICI Aust 2.15 -0.01	Sapporo
	Warner Comm Warner - Lamb Washington Po	15, 50½ 507g 1 235g 23 15tt 25½ 25¾	Dome Petroleum, 355 ₁ 2	May 20 Price + o	VMF Stork	Jimberiana 250 1.0	Sharp 830 : +45
1	Waste Mangt Weis Mkts Weis Fargo	3334 : 34 303a : 3014	Dom Foundries A 474 4	174 Emprunt 417 1873 2,435 +30 312 Emprunt 78 1875 6,949 -1		Lannard Oi 0.25	Stanley 451 -25 Stomo Marine 517 +10 Talhei Dengyo 4590 +24
-	W. Point Pappi Western Airline Westrn Bencoi Westn. Nth. An	es. 10½ 10¼ rp. 39¼ 375g	Falcon Nickel 108 10 Genstar	66 CNE 32 2,665 -80 914 Afrique Occid. 434 +4 754 Air Liquide 409 50 Aquitaine. 765		Meekatharra Me 6,70,2 Meridian Oil 0.37 +0,01 Monarch Pet 0,38 +0.08	Talsel Corp 207
l	Westinghouse Westvace Weyerhaeuser	315g 32	Gulfstream Res. 778	834 Au Printempa 96.5 —2.5 8 BIC ———————————————————————————————————	ANIC 700	Nat Bank 3.2 -0.05 News 3.25	1 TO 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	Wheelabratr F Wheeling Pitts	: 621a 523.	Hollinger Argus 484 4	812 Bouygues, 682 -31 BSN Gervais, 975 +25	Assicur Gen 164,000 + 2300	Nicholas Int. 1.30 North Bkn Hill. 5.15 —0.85 Cakbridge — 2.75 +0.2 Otter Expl. 0.90	TBS
1	White Consolto	1 324 32 250 234	Hudson's Bay 264 2 do. Oil & Gas 35 3	612 Club Mediter 425 +7 618 CGE	Bastogi Fin		Tokyo Gas
1	Wickes	46½ 45½ 165g 164g 33 32½	IMAGO	1 Cie Bancaire 24410 6 Cie Gen Eaux 2501	Invest	Queen Marg't G. 0.40	10501 Da
ļ	Winn-Dixie Str. Winnebago Wisc Elec Pow	341s 337s 334 33c ar 225c 227c	indal 175, 1	81s Coffmeg. 121.3 -0.8 90 CF. 148 -2 734 Creusat Loire. 50 +0.6 GFP. 131 +1	Montedison 244 +9	Steigh (H.C.) 1,46 -0,89 Southland M 1'g 9,76 +0,86 Sparges Expl 0,57 -0,81	Toyota Motor 870 +40 Victor
Ì	Woolworth Wrigley Wyly Xerox	401 ₂ 42 121 ₄ 121 ₄	Marks & Grencer, 101a 11	97g Dumez	Snia Viscose 1.140:+20	Thos Natwide	Yamaha
ļ	Yellow Frt Sys Zapata Zenith Radio	1756 171g	Massey Ferg 4.70 4. McIntyre Mines 65 63	65 GenOccidental 395 + 18, 3 Imetal 75.8 +0.3 37a Lafarge 250 -9	1 POTO ASSIC	Vallant Consdt 0.4 +0.05 Waitons	Yokoga wa Bdga 545 +25 SINGAPORE
1			Moore Corp 4234 42 Mountain State 1619 15	834 L'Oreal	NORWAY	Woodside Petrol 2.22 +0.02 Woolworths 2 +0.12 Wormald Intl 3.7	
		•	Noranda Mines 3236 32	Matra	May 20 Price + or	HONG KONG	Boustead Bhd 8.80.1 Cold Storage 4.96 +0.88
	l		Pacific Copper 3,20 3.	20 Pechiney	Bergens Bank 107	May 20 Price + or	DBS 8.20 Fraser & Neave 6.45 —0.85 Haw Par 3.90
8y 5	High	D81 Low	Patino	Perrier	Creditbank 115 +1	Cheung Kong 28.3 +0.5 Cosmo Prop 2,35 +0.15 Gross Harbour 9,60	Inchcape Bhd 3.88
,4 ,3	767.5 (8/4) 768.2 (7/1)	841,1 (17/2) 564,8 (8/8)	Quebec Strgn 4.70 4.0	Redoute	Norsk Hydro	Hang Seng Bank 120 -0.1 HK Electric 6.5xa +0.05 HK Kowloon Wh. 9.3 +0.4	Sime Darby 4,58 -0.65 Straits Trdg 13.00 -0.2 UOB 7,30 +0.65
27	1 66.45 (6/1)	61.48 (4/6)	Ranger Oil	St. Gobsin	SWEDEN	HK Land	SOUTH AFRICA
.17	86.15 (17/2)	77.27 (20/5)	Royal Trustoo A., 193, 19 Sceptre Res 143, 14 Seagram	Telemech Elect. 943 +10 Thomson Brandt 172 -4	May 20 Price + or Kroner -	New World Dev 6.30	May 20 Price + or Rand -
)	112.07 (19/5)	85.88 (만1)	Snell can Oll	GERMANY	AGA	Swire Pac A 17.0 +0.6 Swire Pac A 19.2 +0.6	Abercom 3.9 Abercom 8.8
T,Q 10,8	172.5 (17/5) 186.8 (18/6)	86,5 (19/6) 86,1 (19/5)	Teck B	Dm. —	Alias Copco 84.5 +1	44.0444	Anglo Am
.9 .7	234,8 (24/4) 727,7 (27/4)	215.88 (9/2)	Toronto Dom Bk. 313g 311 Transcan Pipe 25 35: Trans Matn. Oli A. 1134 111	BASF 130.5	Callujosa 201 +6 Electrolux B 98.5 +1 Ericsson 171 -1 Esseite 135	May 20 Price + or	CNA Invest 6.45 Currie Finance 2.25 O.B.
.5	95.6 (18/6)	668,4 (16/2) 85.7 (2/1)	Utd Sisco Mines 18 18 Walker(Hrm)C.H. 2514 251 Warrior Res 5.25 5.7 Westcoast Trans 1414 141	5 Bayer-Yerein 267 -2,7	Fagersta 108 +1 Fortia	Alinomoto 899 +5	East Drie
-		62.0 (2/1)	Weston (Geo) 341g 363	Brown Boveri 253 -1.5	Sandvik	Asahi Glass 539 +4 Bridgestone 529 +27	Highyald Steel 4.85 -0.65
21	1950.82 (4/2)	1286.44 (11/5)	i i i i i i i i i i i i i i i i i i i	Commerzbank 128 -0.5 Conti Gummi 502 -0.5 Daimle Benz 502 -1	SKR B	Citizen	ledbank 6.35 ±0.18
78.	277,71 (18/6)	178.58 (6 T)	AUSTRIA May 20 Price + o	Demag 147 _1.5 D'sche Baboock 205 _1	Swedish Match 118 +6.5 Yelve 113 +6	Dal Nippon Ptg 816 +30 F Dalwa House 267 +1 F Palwa Seiko 362 +2	tembrant 5.03: -0.82
	7674, 18(80/4) 680,86 (80/4)	6968,52 (18/8) 496,79 (6/1)	Craditanetally E96	DeLasche Bank 256 —1.8 20 Schult 164 —0.5 Dreadner Bank 141 —3.1		Ebara	age Hidgs
4	1927,67 (4/6)	118,22 (16/2)	Parimooser 259 +1	Dyak Zement 138.5 - 8.5		Fuji Film 1,660 — 10 s Fujisawa 1,030 +30 T	orac
2	510,2 (16/5)	658,52 (2/1)	Steyr Daimler 227 -2 V eltscherMag 267	Hoesch	May 20 Price	Green Cross 1,570 +80 -	Financial Rand US\$6.89
<u>-</u> - ∙ 5	787,6 (7/1)	561.3 G@		Kall und Salz 230,8 +1.5	Alusuisse 965 -10 Brown Boveri 1,310	Hitachi Koki 525 +9	(Discount of 24%),
	i (t <u>t</u>) 1,139	557,2 (3/2	BELGIUM/LUXEMBOURG	Kaufhof	Gredit Suisse 2,240 -30	Hoya	May 20 Price + or
- -	119.80 (20/6)	190.46 (2/1)	May 20 Price + o	Krupp	Hoff Roche PtCts 78,500 1756 Hoff-Roche D10 7 875	to-Ham	Cruz - :
-	564.82 (20/5)	494,17 (20/1)	ADRED 1288 -8	MAN. 190 140.5 -0.5	Jelmoli	2,350 +10 8 Jusco 680 +10 8	anco itau
i i	804,2 (2/4)	288.5 (20/5)	Bekaart B	Metaligesseil 322 +1 Muench Ruck 658 -2	Oer-Buhrile 2,18090	Kao Soap 542 +2 P	etrobras PP 2.730.92
1	162.8 (8/1)	148,8 (17/2)	EBES	Rhein West Elect 165.6 —1.1	andoz (Br) 4 275100	20 MAY D 1, 1 (R)	012a Cruz 3.50 +0.61 Rip PE 6.0 Bie Ric Doce 6.90 -0.16
s is.	its All Ordinary -10; and Toron ‡ 400 indus	to—1,000; the trials. S 400	GBL (Brux L) 1,138'2	Schering	Wissair 695 -13	Comateu Fift 560 +10 F	over Cr.7722m: Vol. 210 4m. Source: Rio de Janeiro SE.
nd	20 Transport	s. c Closed.	Hoboken	Varia	wiss Reinsce 6,850 —250 lwiss Volksbk 1,550 —10	NOTES BASE OF MALE	A

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Indices NEW YORK -DOW JONES]
	May 19	Mny 18	М 19 15	May 14	May 13	May 12		81 Low	Since C High		
industr'i s I'me B'nds			985,95 68,82			976.82 68,45	(27)4) 66.78	931,57 (13:2) 68,37	1051,70 (11/1/76)	41,22 (2/7/82)	AI AI M
ransport						106.87	(16/4)	(7.5) 879, 18 (20.2) (03, 49 (8/6)	447,55 (16:4-81) 163,32 (20:4/63)	10,5	A C
TadingVol 000"; Day's high		42,500 9 low	-	•	42,600		į	~	! -	-	84 DO
Ind. d	iv. yio	ld %	,	May 1		fay 8	May	:	Yearago (E
				5,81		5.71	5,	57 .	6,50)	

⊕Day's high	¥68,29	IOW I		ay 15	· M	ay 8	May	1	Verree	
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STANDARD A										
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	19	18	15	14	15	12	High	Lov	v · High	Low
indust'is							157.02	145,7	Z 160.96	6,52
Composite	132,09	132.54	132,17	161,28	180.55	: 150.7	(6:1) 2: 1 56,1 2 (6:1)	126,5		
			· Ma	y 13	May	6 :	Apr.	30 Y	ear ago	(ADD TO)
Ind. div. yield 🖔		4.	70	4.	69	4,61	:_	5,5		
nd. P/E Rate	0		9.	91	10,	93	9,37	, -	7.3	
ong Gov. Bo	ond Yie	ld	13.	72	13,	B1 :	13.36	, ,	10,1	9
N.Y.S.E. AL			19	B1	_			May 1	es and F 9 May 18	May 15
May May 19 18	May 1 15	May — 14	ligh	Low	Ris	CS	,ı	611		991
75,47 75,60 7		5,02 7	9.14 (6/1)	72,45 (20 2)	Und Net	changi v High	ed 19	401 40	677 391 50 26	536 376
		•	:		- 1	;			1981	•
MONTREAL			lay 19 ;	May :	May 15	May 14	Hig	jh	L	
	idustri: ombini		98.91 86.00	(C)	154, 11: 570, 98	403,61 383,88	404,17 676,88	(15/5)	558.26 559.34	(20/2) (20/2)

TORONTO	Composite 25 18.0	6 ici _i 2	557.8 2625.7	2578,8 (10/4)	2151.4 (28/2)
Sony	Stocks Closi graded pric 917,300 28 656,300 21 616,200 56	Change ng on to day t ~ t t ~ t t ~ t t + t	Citios Svo Exxon Bally Mfg.	Stocks traded 484,10 468,10 454,70 buck 420,50	3 647 ₄ - 3 3 27 ¹ 2 + 3 3 185 ₄ - 3

	 May 20	May 19	! May 18	May	i High	981 Low
AUSTRALIA All Ord. (1:1/80) Metal & Minris. (1:1/80)	692,7 606,2	689,8 598,6	688.8 593.8		787.8 (8/4) 788.2 (7/1)	841,1 (17/2) 564,8 (8/8)
AUSTRIA Credit Aktien (2/1:62)	61,95	62,11	l [!] 62_16	62.27	1 86.48 (6/1)	£1.49 (4/6)
BELGIUM Belgian SE (&1/12/88)	77,27	77,63	78,9	78,17	86.15 (17/2)	77.27 (20/5)
DENMARK Copenhagen SE (1/1/78)	171,70	112,07	i11.66	(e)	112.97 (19/5)	85.88 (2 /1)
FRANCE CAC General (29/12/51) Ind Tendance (81/12/80)	87,2 85,5		87.8 85.2			86,5 (19/5) 86,1 (19/5)
GERMANY FAZ-Aktien (31/12/58) Commerzbank(Dec. 1955	288.11 765.0	230.81 707.5	282.88 718.7	252.9 714.7	234,8 (24/4) 727,7 (27/4)	215.88 (9/2) 688.4 (18/2)
HOLLAND ANP-CBS General (1970) ANP-CBS Indust, (1970;	92,1 70,6		93.6 71.2	82.5 70.6	93,6 (18/6) 72,9 (28/4)	85.7 (2/1) 62.8 (2/1)
HONG KONG Hang Seng Bank (\$1/7;\$4)	1685.10	1554,87	1692,25	1548,21	TG50.82 (4/2)	1285.44 (11/5)
ITALY Banca Comm. Ital (1972)	(u)	277.71	270,17	287,78	277,71 (19/6)	173,56 (6 T)
JAPAN Dow Average (18/5/49) Tokyo New SE (4/1/68)	7571,27 546,80	7264.81 540.01	7451.88 652,96	7485.86 664.85:	7674, 19(80/4) 690,86 (80/4)	6968.52 (18/8) 496.79 (6/1)
NORWAY Osło SE (1/1/72)	117,57	119.68	120,58	121,4	127,67 (4/6)	118,22 (13/2)
SINGAPORE Straits Times (1968)	986,52	288,82	(c)	810,2	910.2 (16/5)	658,52 (2/1)
SOUTH AFRICA Gold (1858) Industrial (1958)	=	655.7 634.7	848.0 654.2	645.5 682.6	767.6 (7/1) 658.5 (1/5)	561.5 (5/6) 557.2 (3/2
SPAIN Madrid SE (38/12/84)	119.80	118,37	118.50	(c)	119.80 (20/6)	190,46 (2/1)
SWEDEN Jacobson & P. (1/1/58)	684,62°	527 .90 !	18.72	514,8	584.82 (20)5)	494,17 (20/1)
SWITZERLAND Swiss BankCpn.(81/12/68)	288.6	289.8	281.8	295,8	504,2 (2/4)	288.5 (20/5)
WORLD Capital Intl. (1/1/78)	<u> </u>	155.3	156,2	156.0	162.8 (8/1)	149,8 (17/2)

pital Intl. (1/1:78)	i — 185,3 ;	156.9 156.0 1	162.8 (8/1)	148,8 (17/2)
Base values of si to MYSE All Gome to named based of lustrals plus 40 devaluable.	ол 1975. <i>†</i> Fyeli	974 Peers—7	ID; and Tero	nto—7,000; the

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FINANCIAL TIMES SURVEY

Thursday May 21 1981



Mr Spyros Kyprianou. President of Cyprus

phrodite, Goddess of Love and eauty Physically it has all

e attributes; golden sandy aches along clear turquoise

as, cool sweet-smelling forests

The current mood of the land is hardly one of love, wever. As you travel from

ie side to the other of this

vided country it is easier to

member that it was to phrodite that Paris awarded e Golden Apple of discord, hich contained the seeds of

There are moments when the

the no-man's land which now

ivides the two communities

ou may find yourself alongside Turkish Cypriot groaning in

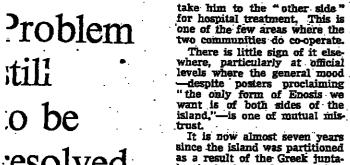
ain. His relief comes with the

pine and cedar, snow-capped

ountains.

e Trojan war.

After seven years as divided peoples on the same island the Turkish and Greek Cypriots seem no nearer to settling their profound differences. Some observers, however, detect glimmerings of hope that some form of communal rapprochement may be achieved after the elections which both sides are holding within the next few weeks.



resolved inspired attempted coup against the then President, Archbishop Makarios, and the subsequent Turkish invasion—one more ly Margaret Hughes OURIST brochures promote yprus as the Island of

outbreak in the intercommunal strife that has dominated life on the island for over 20 years. The two communities now live as if in two separate countries, separated by mine-fields behind barbed wires.

They have separate admini-strations — the internationally-recognised Cyprus Government on the Greek side in the south headed by Mr. Spyros Kyprianou and the self-proclaimed -Turkish Federated State of Cyprus in the north headed by Mr. Rauf Denktash. Their economies are separate too and they use different cur-rencies. Yet their combined population is only some 620,000 and their total land area only 3,572 square miles. sad legacy of both British colonialism and of the Presi-dency of Archbishop Makarios, both of which failed to unite land lives up to its better sociations. Standing at the teckpoint on the Turkish side the two communities under

The only positive thing that can be said of the present situaain. His relief comes with the tion is that there is now no trival of a UN ambulance to voilence on the island. Turkish

their rule.

Cypriots feel secure, although far from happy, with the presence of the 17,000 Turkish mainland troops which provide that security. But they are suffering economically.

Greek Cypriots, while prospering materially, see them-selves living alongside a puppet state of Turkey which occupies property and homes belonging to Greek Cypriots. They object to being deprived of access to a large area of country. Turkish Cypriots account for some 18 per cent of the population and occupy around 36 per cent of the territory.

The biggest gap between the two lies in the feelings of mutual suspicion and mistrust. It is why round after cound of intercommunal talks have collapsed. The success of the present round in keeping both sides talking should not be underestimated. Whether it takes things any further is a subject of much debate, particularly as there are elections coming up on both sides of the island and the "Cyprus problem" is the main electoral issue. Greek Cypriots go to the polls in Parliamentary elections on May 24 while Turkish Cypriots are holding both Parliamentary and Presidential elections on June 28.

The accusations that fly back and forth at the political hust-ings make it difficult to imagine that there will ever be peaceful co-habitation. But optimistic noises are coming from all sorts of directions that after the elections there will be some pro-

CONTENTS

reek Cypriot economy	II	Turkish Cypriot politics
urkish Cypriot economy	11	EEC relationships
'ourism	п	Strategic role
reek Cypriot politics	Ш	Agriculture
reek Cypriot community	Ш	Offshore centre

The only tangible achieve-ment so far has been the agreement reached last month to set up a committee to trace people missing since 1974. That this has taken so long reflects the gap between the two sides, but as Mr. Hugo Gobbi, the UN special representative chair-ing the talks, points out: "With very wide differences on such complex issues there can be no quick solution." He remains optimistic, how-

ever, and after the elections expects the talks to enter a more "creative" phase, with real discussion of the main issues. Next week he will be in New York discussing the Cyprus problem at the UN, and sees his role now as one of shuttle diplomacy. He has said that he is ready to play a more active role once

given the go-ahead by both sides; the indications are that he has. It is felt that rather than bargaining face to face across the negotiating table an intermediary is needed to sub-mit specific proposals to each side individually. Concessions can then be made more easily. Both sides are aware that painful political decisions will have to be taken if a peaceful settle-

Both interlocutors, Mr. George Ioannides of the Greek side and Mr. Umit Onan on the Turkish side, hope for developments the elections. Mr. Ioannides hopes for some mitiative from Ankara while Mr. Onan hopes that a change in the lem was discussed. balance of power in the Greek Cypriot Parliament will make

the other side more conciliatory. The Turkish Cypriots would favour a strong presence by the Greek Cypriot Right-wing Demo-cratic Rally Party of Mr. Clerides, who is said to have good relations with Mr. Denktash. They are more suspicious of the Communist Party AKEL, which to date has been the strongest party on the Greek side and is likely to remain so
—but is in fact very much in
favour of the intercommunal

Hopes are pinned on the urkish Cypriots submitting proposals on territory which will allow the Greek Cypriots to make concessions on the constitution. The consensus is that after the elections, when both sides should be in a stronger negotiating position, there will be just a tiny glimmer of hope largely resulting from a coinci-

Greek Foreign Minister, as well as by Western diplomats, all point to Ankara taking some initiative which will bring the two sides together. There has been nothing to confirm this either from Ankara or in Mr. Denktash's recent pronouncements. But the fact that Mr. Mitsotakis said after his meeting in Rome this month with his Turkish counterpart, Mr. liter Turkmen, that the Cyprus talks would enter a "decisive phase" in the next few months at least indicates that the prob-

Dispute

This in itself is taken to be change in that Greece has so far allegedly refused to consider the Cyprus problem as part of their bilateral differences, regarding it as a dispute between Turkey and Greek Cypriots. It has been said that Greece uses the partition of Cyprus as a lever against

But relations between Turkey and Greece are seen to have improved since the military took over in Turkey and Greece re-entered the NATO alliance and joined the EEC. Although they still have wide bilateral differences in the Aegean, there is a feeling that they may now be more disposed to settling other problems such as Cyprus and so remove at least one of the areas of conflict.

With elections coming up in the autumn in Greece and the

Recent statements by Mr. Rallis Government may be re-Nicos Rolandis, the Greek placed by the Left-wing and Cypriot Foreign Minister, and decidedly anti-Turkish party of Mr. Constantine Mitsotakis, the Mr. Andreas Papandreou, Turkey may be prompted to take a Cyprus initiative if only to bolster Mr. George Rallis'

It is also argued that while Turkey has a major role to play in the Cyprus problem so too does Greece. Greek Cypriots feel that it has a moral obligation since it was the attempted coup by the Greek colonels' junta which precipitated the Turkish invasion. It should also, they say, be in Greece's interests to remove the threat of further Turkish expansionism.

Relations between Turkey and Greece are one reason why progress is expected in the summer months. Another is that Greek Cypriots have indicated that if there is no progress they will feel bound again to take the problem to the UN General Assembly in the autumn. But they realise that this will put the talks back and so hope for the good offices of the "superpowers." Cypriots always blame outside interference for their internal problems and yet the Greek Cypriots at least feel that it is only "superpower" influence which can solve the present impasse.

They feel that the West now has an interest in solving the problem after the unrest in the Middle East and the problems in Iran and Afghanistan. They therefore hope that the may now do what it has long been asked to and exert pressure on Turkey as part of its efforts to stabilise the eastern Mediterranean flank of NATO at distinct possibility that the a time when conflict with the



Mr Raul Denktash, the Turkish Cypriot leader

Soviet Union looms in the Middle East. It is the combination of these

largely external factors which could conceivably achieve the necessary breakthrough in solving the Cyprus problem. But even if it does it will then be up to the two communities and it must be said that international pressures, such as the arms embargo against Turkey and the UN resolution calling for the withdrawal of Turkish troops, has been singularly unsuccessful in the past. Mistrust between the two comnunities remains the biggest stumbling block.

Cypriots and the Greeks in particular have to accept that although "outside influences" played their part, they too were responsible for the internal strife. The communities did not live together amicably before the intervention of the Greek junta and the Turkish invasion -as many Greek Cypriots now seek to claim. If they had been living together so peacefully, why then has there been a UN peace-keeping force in Cyprus since 1963?

Neither can the turned back to Realities have to be faced and past differences buried if a settlement is to be found whereby the two communities can live peacefully together without Turkish troops to maintain the balance of power. It will be difficult in an environment where, whatever the conciliatory noises towards their Turkish brothers, the Greek Cypriots still believe in majority rule and the Turkish Cypriots mistrust the fairness

ADVERTISEMENT

CYPRUS ECONOMY: Developments, Problems and Prospects – new avenues

In the period immediately after independence in 1960 and up to the Turkish invasion in July 1974 Cyprus was going through an era of fast and uninterrupted growth. The economy was continuously being modernised, exports were diversified and expanded, unemployment was eliminated, foreign exchange reserves were comfortable and all available indicators showed that Cyprus was going through a period of prosperity unparalleled in its long history.

The task of development was not of course easy. Cyprus is a small country with a small domestic market and limited natural resources. To overcome these constraints, Cyprus developed a highly integrated economy, introduced policies which ensured the efficient utilisation of the resources available and was thus able to build up a sound and viable economy.

The advance forward in the economic field was brought to an abrupt end by the Turkish invasion in July 1974. The occupation of almost 40% of the territory of Cyprus and the forcible eviction from their homes and peaceful occupations of about 40% of the Greek Cypriot population dealt a heavy blow on the economy and created serious problems of survival.

Suddenly, the Government found itself in a situation in which it had to assume responsibility for a large number of displaced persons who were entirely dependent on the state for their subsistence. The area occupied was the most productive and developed part of Cyprus accounting for about 70% of the economic resources of the country. Investments in fixed assets and the value of land belonging to Greek Cypriots and others (excluding Turkish Cypriots) in the occupied area is estimated, at 1974 prices, to be over C£ 2.5 billion. The tourist industry was heavily concentrated in this area with more than 65% of tourist accommodation capacity and 87% of the new capacity under construction, while a considerable part of industrial output originated in the occupied areas. The loss of Famagusta port, which handled 83% of general cargo, and the closure of Nicosia international airport in the buffer zone were additional blows.

As a result both the productive capacity of the economy and its ability to earn foreign exchange through exports of goods and services were reduced substantially. The resulting reduction in incomes, the disruption of intersectoral relations and the uncertainty prevailing resulted in a serious decline in economic activity in all sectors with cumulative effects. The gross domestic product dropped sharply as a result of the economic dislocation. Compared to 1973, the decrease in the gross domestic product by 1975 was 30% despite the partial reactivation which took place in the meantime. After a decade of full employment, unemployment assumed alarming proportions and created social problems of immense dimensions. The estimated number of unemployed (registered and unregistered) immediately after the invasion reached 86,000 or nearly 39% of the economically active population. The economy was dislocated, economic activity came to an almost complete standstill and Cyprus was facing an acute problem of survival.

In an attempt to tackle the social and economic problems created by the invasion, the emergency economic plans were introduced by the Government. The first two emergency plans, which covered the period 1975-1978, aimed essentially at eliminating the most immediate consequences of the invasion and occupation, that is, poverty, unemployment and emigration, while simultaneously creating the conditions and prerequisites required to set in motion the productive process which was disorganised and the reconstruction of the economy. The progress achieved has been impressive if one bears in mind the chaotic situation that existed immediately after the invasion. The most remarkable accomplishment during this period was the successful orientation of domestic production towards exports and the diversification of foreign markets. The annual rate of increase in exports of goods realised during the three-year period 1975-1978 reached an average of 32.5%. The annual rate of increase of the gross domestic product at constant prices, achieved during the same period, was of the order of 12.5%. The sectors which achieved the greatest increase in production were, in order of priority, construction (37.2% annually), manufacturing (18.3% annually) and wholesale and retail trade (16.2% annually).

Furthermore the increase in investment activity reached the level of 33% annually during the three-year period 1975-1978, while unemployment dropped to the level of 2% of the economically active population in 1978.

The creditable performance in the economic field has caught the imagination of

the outside world who have described the revival of the Cyprus economy after the invasion as an economic miracle. If by economic miracle is meant that economic collapse has been averted and that Cypriots have made the most of an extremely difficult situation, the description is accurate, but if on the other hand it is meant that the economic problems created by the invasion have been solved and that the preconditions now exist for self-sustained growth this is far from the truth. How, for example, can the problems of the displaced be definitely solved when they constitute 40% of the total population? How is it possible to replace the huge investments, equipment, the immense wealth of fixed capital, productive and natural resources under the control of the invasion troops? No doubt the results of reactivation have been impressive. But, it must be stressed, reactivation has been facilitated by a number of factors which are not likely to be permanent. Many of the problems have been alleviated but they still exist, and they are still serious and no easy solutions are in hand.

There is no doubt that most of these problems can be traced directly to the Turkish invasion and the occupation of part of Cyprus. With the achievement of full employment, growth is restrained by the lack of resources, natural resources. land and labour. The level of savings is low and insufficient for the development needs because of the high level of consumption, a situation which can be attributed partly to the fact that refugees started replacing their durables lost during the invasion. The composition of investment is unsetisfactory because of the need to allocate a large part of the resources for refugee housing rather than directly productive investment. In addition, in the effort to reactivate quickly after 1974, the question of optimality was in many cases disregarded, which has aggravated the structural problems of the Cyprus economy. The small size, the lack of specialisation and the low productivity of the productive units represent now serious obstacles to growth.

The international economic developments are also aggravating the situation. The slow growth of the world economy, the international inflation, the energy crisis and increasing international competition are affecting adversely the Cyprus economy. Thus the rate of growth has slowed down in 1979 (7.5% as against 10.2% during the previous year) and decelerated further (4.3%) in 1980. Local production is not in a position to satisfy demand. This fact in conjunction with the increase in the oil prices had resulted in an expansion of the import bill, at a rate higher than desired. Total imports fob increased by 25.8% in 1979 and by 20% in 1980. On the other hand exports, due to a number of factors such as the general depression of international trade, the weather conditions which were unfavourable to the early crops and the restrictions imposed by the EEC, are facing keen competition in the foreign markets. Thus, while in 1979 domestic exports increased by 23.2% they registered a growth of only 14.7% in 1980. The above developments indicate that despite the satisfactory growth of invisible receipts, i.e. 28.3% in 1979 and an estimated growth of 21.6% in 1980, the current account deficit is widening. The deficit will be financed by foreign borrowing and by some reduction in the reserves. There is no doubt that the economy is facing a problem of overheating with undesirable destabilising effects. The rate of inflation has accelerated in 1979 to 9.5% and reached the level of 13.5% in 1980.

At the initial stages of this frame of problems and developments, the Government introduced the Third Emergency Action Plan 1979-1981. It is a plan which puts more emphasis on the maintenance of internal and external stability rather than growth and attempts to initiate a transformation of the economy by encouraging capital intensive technology. Moreover, it continues the policy of improving social conditions by consolidating the newly established social institutions. The plan attaches great importance to the expansion of exports as a main development strategy. It encourages foreign investment as a means of supplementing domestic savings and introducing to Cyprus higher technology, it promotes the development of Cyprus as a centre for the production and export of goods and services to the neighbouring countries, it commits the Government to the adoption of an acceptable praces and incomes policy to preserve the internal stability of the economy, it includes measures aiming at encouraging domestic savings, at reducing overconsumption and at increasing public revenue and thus reduce the dependence of the economy on foreign resources. It introduces an energy policy to reduce the dangerous dependence on oil and mistigate the adverse impact of the energy crisis on the balance of payments, it gives emphasis to investment activity with the introduction of new incentives, and promotes closer links with the European economic community.

It is realised, however, that under present conditions the achievement of fast rates of growth of the recent past is neither feasible nor desirable. Economic expansion in the future presupposes increasing quantities of investment and radical structural changes. This is the reason why the Government assigns great importance to the improvement of organisation and modernisation of the economy. the establishment of capital/technology intensive units and the stimulation of competition. Despite the present difficulties the economy has not lost its dynamism. The reinforcing factors that were responsible for the creditable economic record of Cyprus prior and subsequent to the invasion are still active to a higher or lesser degree and could be mobilised to generate growth in the long-run: (i) Unexploitable natural resources are still available in the free part of Cyprus. (ii) Arable land resources in the Government controlled areas can increase in supply through the utilisation of land which for various reasons remains uncultivated. Agricultural output can expand through the utilisation of presently unutilised surface and underground water resources. (iii) The capital stock being a mobile resource can to a very large extent be replaced in the long-run and can substitute to a certain degree for the deficiency in the natural resources available. (iv) Labour supply can increase in the long-run despite the withdrawal of the Turkish Cypriot labour force, loss of life and the emigration noted. These drawbacks can be counterbalanced by drawing on the excess labour supply in the agricultural sector, the greater participation of women in the labour force, the repatriation of recent emigrants and permanent emigrants in countries abroad. (v) The adaptability displayed by the entrepreneurial class under the adverse conditions of the period 1974-76, as well as their high educational level constitute factors capable of contributing positively towards the effort of restructuring the economy and restructuring domestic production towards the desired direction. (vi) The location of Cyprus vis-a-vis the markets of the Middle East and Africa constitutes an additional asset to be exploited for the expansion of exports and the development of entrepot trade. The location of Cyprus combined with the comparatively lower price level in general compared to Europe and other competitive countries and coupled with the institutional facilities offered are bound to play a major role in the growth process.

However, the more efficient mobilisation of the reinforcing factors and the more effective tackling of the existing problems are inextricably interwoven with the solution of the political problem. But not with any solution. Our experience so far undoubtedly shows that a solution based on the creation of two separate economies for such a small country like Cyprus is disastrous. Because of its small size and uneven distribution of natural resources the island had, of necessity, an interdependent, integrated and balanced economy. The present state of affairs has created many problems and has caused so much misery to all the inhabitants of Cyprus. It is the segregation, this imposition of artificial barriers between the two communities, as well as the presence of an invading army which is causing most of the difficulties. The aim therefore must be to promote a just solution. A solution which would serve the real interests of the people of Cyprus should safeguard the viability of the country as one economic entity. A unified economy is the only hope for economic survival.

In August last year, the intercommunal talks resumed for the purpose of finding a lasting solution to the Cyprus problem. Nine months have passed since then but a solution is nowhere in sight.

One obstacle to progress in the intercommunal talks is the Turkish Cypriot side's attitude. Although it had been agreed before the start of the talks that the sides would submit substantive proposals on the various aspects of the Cyprus problem, the Turkish Cypriot side has failed so far to put forward its proposals on the

Moreover, the Turkish Cypriot leader, Mr Rauf Denktash, has recently been claiming that, as far as he was concerned, there is to be a "border" separating the two communities—a provision that would undoubtedly lead to the partition of the island.

However, the Government of Cyprus cannot accede to the legalisation of partition for this would spell disaster, both politically and economically, for all the inhabitants of Cyprus including the Turkish Cypriots.

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Problems to overcome in sustaining recovery

GREEK CYPRIOT

MARGARET HUGHES

THE GREEK Cypriot economy has shown a remarkable recovery since the partition of the island in 1974 and the loss of some 70 per cent of its economic and natural resources, antly in export-oriented light

Declines in Gross Domestic Product (GDP) of 18 and 20 per cent respectively during 1974 and 1975 were reversed into annual growth rates of around 20 per cent over the next two years. The entre-preneurial spirit of the Greek Cypriots survived intact, business confidence returned and with it a sharp upture in investment. By 1979 economic activity had reached record levels. Unemployment, which approached 25 per cent in 1974, had been virtually eliminated and a large number of refugees re-housed. Average income had risen by nearly 45 per cent in real terms. But although it is still doing

well by international standards the economy is now running into problems. These, according to Mr. Chris Stephani, governor of the central bank, are largely the result of the expansionary monetary and fiscal policies which were pursued to get the country back on its feet. "The economy is now back in the same position as it was in 1973," he says. Then the Turkish invasion took care of the problems of cruel over-cent, down from 7 per cent in Government's economic mea-heating. This time the Cyprus 1979 and 13 per cent in the sures, which changed an imports Government has to take the necessary action.

substantially lower last year. 13.5 per cent last year. Private sector investment was deficit. Early last year the Government took measures to cool the economy after consultations domestic demand. with the International Monetary But higher wages, not Fund (IMF) which authorised a matched by increases in domes-

changes mainly because of the increases have averaged 20 per loss of a large part of the agri-cent—workers' incomes are cultural land which had been estimated to have more than the mainstay of the economy. doubled in four years. Labour Total exports including reina few months at Larnaca. The industrial and services sector became increasingly important in an effort to provide jobs of the 180,000 refugees displaced from the 180,000 refugees displaced from the north although for the 180,000 refugees dis—
Early last year the Govern—
in the invisible surplus last particularly the Middle East,
placed from the north although ment imposed a credit ceiling year, which rose from C£99m which has already replaced the
agriculture, which before had on lending to the private secto C£126m, the current account EEC as Cyprus' largest export employed 40 per cent of the tor. An effective interest rate deficit widened by 21 per cent market.

TOURISM

MARGARET HUGHES

METIN MUNIR

BEFORE THE Turkish invasion

Cyprus had a booming tourist industry based on the north of

the island and run entirely by

Greek Cypriots. The two main resorts were the Varosha area

of Famagusta on the east coast,

with probably the best beach in

Cyprus, along which the Greek

Cypriots had built a strip of high-rise hotels, and the more

picturesque fishing village of Kyrenia on the northern coast.

The 1973 season had seen a

With the partition of the island the Greek Cypriots lost both resorts with over 70 hotels and were left with only 4,000

tourist beds compared with 17.000 before.

But despite having lost these

southern part of the island a thriving tourist industry which

record 264,000 tourists.

counts for only 27 per cent of the Government is now finally plus of C£3.3m. Reserves stood jobs and 10 per cent of GDP. attempting to change. It also at C£368m at the end of Decemmanufacturing, accounting for raised import tariffs on selected ber, covering about four 18.3 per cent of GDP, 69.9 per items. especially consumer months' imports.

Foreign borrowing increased for manufacturing in the manufacturing increased the formula to found the manufacturing in the man of employment, is now the main

Manufacturing is predominindustries in the hands of small privately owned companies. most of them employing less than 20 people. Major exporters include Covostos Textiles and Jet Kallis in clothing, Apollo Industries, Loizides and Avramides Tanneries and Ariston EVY in footwear. The major foods exporter is Cyprus Can-ning while Keo is the leading wine and spirits, beer and soft drinks company.

tion industry.

Services are also a major contributor to the economy, par-ticularly tourism, now the lar-gest single invisibles earner. Receipts from invisibles are in fact higher than the value of

The reactivation of the economy after 1974 was implemented through a series of emergency action plans whose emphasis has switched from the initial priority of creating jobs and replacing lost production to exports and capital-intensive production. But while previous plans have generally surpassed deviations from the current

Last year GDP rose by 4.3 per previous year. Manufacturing increase of 37 per cent in the showed the biggest rise—7.1 per first half of the year to a dec-Economic growth, which had cent. Inflation, traditionally line of 9.3 per cent in the been slowing down anyway was low in Cyprus, was running at second. It was mainly the result

at a standstill. Inflation reached is imported, and results from double figures for the first time dependence on imports of oil and the trade gap widened and other raw materials, there activity. The biggest item was tries. It is also anxious to sharply—as did the budget is limited scope for reducing it. oil, which at C277.9m accounts change the structure of The Government has therefore for 19 per cent of total imports concentrated on trying to cut

stand-by arrangement equal to tic output have boosted demand. \$10.5m—and has had some Consumer spending last year success. Consumer spending last year rose by 22 per cent. Since Since 1974 the economy has price indexing of wages was re-undergone major structural introduced in 1976 wage

southern part of the island. By

1979 the number of tourists had passed the previous record to

then tourist arrivals should have

Revenue from tourism, which

cent at the seaside,

Both sides seek to adjust

to territorial split

Famagusta and at Paphos. cent of total goods exports
There are now nearly 11,000 against 33.5 per cent in 1979.
beds in 102 hotels in the This year the tourism organisa-

reach 297,000. With only 9,200 cent of them Greek Cypriots or so beds occupancy rates have been high, averaging 60 to 70 constitute the largest number per cent and as much as 90 per cent of tourists, although their same of tourists.

Increased this quarter last year was only some 5 per cent. Sweden is now the third most important

tourists increased to 353,000 and market with an increase last another 1,727 beds were added, year of 163 per cent with This year the Cyprus Tourism 30,597. Greece is second with Organisation (CTO) is expecting 33,536.

There are currently another 6,954 hotel beds under construction and by 1983 the tourism authority aims to have as many beds as before 1974—17,000, By then tourist arrivals should have

then tourist arrivals should have season. Cyprus is anxious to hit the 500,000 mark, which as extend its tourist season as a 1:1 ratio with the population much as possible and claims to

labour force and contributed 20 policy is inhibited by the maxi- to Cf88m. Foreign loans and per cent of the GDP, remains mum rate of 9 per cent set credits, however, produced a the largest employer but now ac decades ago, under a law which small balance of payments sur-

Measures were taken growth sector, having last year reduce the budget deficit by overtaken even the constructing Government revenue. through taxes on fixed property and capital gains, with the result that direct taxes accounted for 46 per cent of revenue last year against 39 per cent in the previous year. At the same time efforts were made to reduce Government spending.

have been strengthened, and attempts have been made to reach agreement with industry and the trade unions on a prices and incomes policy.

Tendencies

Higher inflation is beginning to reduce the competitiveness Cypriot exports. Combined with the decline in world trade and associated protectionist tendencies in its main markets this has helped widen the trade gap. The deficit last year was C£209.2m, up from C£171.7m and C£133.4m in the supply to the 14 per cent previous two years, a worsening achieved last year. It also hopes situation also due to the continuing high level of imports.

Imports last year totalled C£381.5m. Although the rise in imports at 18.8 per cent was targets there have been major higher than that of exports it was substantially down on the rise of 26.5 per cent in 1979. This was largely due to the Government's economic meaof a drop in consumer goods Since much of the inflation imports but also reflected a decline in raw material imports because of sluggish economic

> The rise in exports was also lower last year-15.8 per cent not against 26 per cent in 1979. The lower rate was mainly due to stagnation of agricultural tax incentives to encourage this. exports resulting from lower The feasibility of establishing international prices. Industrial a stock exchange is also being exports, despite losing some of their competitive edge, still increased by 20 per cent-at the same time accounting for attract know-how and technology 71 per cent of total exports. and a free zone will be opened

in financial terms outstrips the before 1974 totalled C£23.6m tutes the single biggest source

Tourism is now centred on Larnaca and Limassol, which are the two biggest resorts, on the prettier Aiya Napa below same level by 1977 and has been region's earnings are nowhere rising ever since to last year's near what they were before the are the two biggest resorts, on the prettier Aiya Napa below sented the equivalent of 41 per the south is now earning.

tion is anticipating revenues of C£90m.

is declining to a current 35.8 per cent. The increase from

have already done so from a previous 6-7 months to 10.

In the north tourism consti-

Visitors from Britain-20 per

(\$60m) recovered to almost the of tourism revenues. But the

last year, largely to finance the deficits, with external debt increasing at a percentage of national income to 21.7 per cent. The debt service ratio, although rising is a mere 7.4 per cent, low by international standards. The scope for reducing the

budget deficit—which last year increased to C£35.5m, repre-Price control mechanisms senting 4.9 per cent of GDP ave been strengthened, and against à 2 per cent average in the matter than the been made to the early 1970s—is limited by the high proportion of expendi-ture still devoted to the refugee housing programme and infrastructure. Further expenditure will continue for the next two years or so.

The Government expects the fiscal measures taken last year to yield more revenue this year, although tax concessions intro-duced in April will reduce the impact. Credit policy will continue to be restrictive and more selective with the aim of keeping the increase in the money to agree a price and incomes policy after the elections and is attempting to formulate an

energy policy.

The inflation rate was down to an annual rate of 11.7 per cent in the first three months and provided there are no further oil increases is expected to be around 13.5 per cent for the year as a whole. GDP is expected to grow by around 4 per

With a shortage of labour in some sectors despite a marginal rise in unemployment last anxious to encourage capital-in-tensive export-oriented indusbusiness ownership by encouraging private companies to go public, smaller ones to merge and the public to invest in industry. In April it introduced investigated.

Rules governing foreign investment are being reviewed to

near what they were before the island was split in 1974 or what

In 1980 the north received 84,500 tourists (22 per cent less

than in the previous year) and

earned the equivalent of \$33m

(35 per cent higher). The number of tourists received by

the south was more than four

times higher and its earnings more than five times greater.

different. About 80 per cent of the tourists who came to the

north last year were mainland

Turks who visit the island mainly with the purpose of buy-

ing goods not available in Turkey. The money they bring is Turkish currency. The average

Turkish tourist is believed to arrive with T£40,000 (\$400), of which more than 60 per cent

goes towards buying commodi-ties which are imported against hard currency.
Prospects for rapid expansion

of the north's tourism as far as

non-Turkish tourists are con-

cerned are not in the short run encouraging. Although streng-ous efforts are being made by both the administration and

private tour agents the tourist

industry suffers from a lack of

regular air services with coun-

Turkish Cypriots have one of

the most modern and better

equipped airports in the east-ern Mediterranean—the post-1974 Ercan—but the Greeks

have successfully prevented air-

line companies other than the

Turkish Airlines from using it.

Ercan is not accepted by ICAO

as an international airport since it is not approved by the

recognised Cyprus Government.
A British House of Lords'

decision confirms continuing Greek Cypriot ownership of

their hotels in the north. Curi-

ously enough, it said that tourists would not be trespassing if they entered the hotels, but could be sued for using

the fixtures and fittings—hence the small print in Turkish

Cypriot advertisements saying

these fixtures and fittings have been changed.

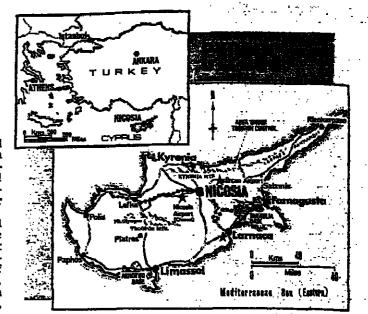
foreigners—mainly Italian. Ger-man and British—are finding

their way to the north of the island and the authorities expect the numbers to increase.

However, more and more

tries outside Turkey.

The composition too is very



Progress seen in all fields

TURKISH CYPRIOT

METIN MUNIR

THE TURKISH Cypriot economy is six years old. It was born in 1974 when Turkey intervened on the island and created a de facto bi-communal island of separate Turkish and Greek Cypriot entities with virtually no social or economic exchanges. Before this event Cyprus'

economy was almost completely dominated by the Greek-Cypriots. Turkish Cypriots, smaller in numbers and infinitely weaker economically, lived in small impoverished villages or behind barricaded urban enclaves, far from the Government, administration and economy during the 11-year-old long intercommunal strife which erupted in 1963. The community relied to a large extent on cash aid from Turkey to survive Turkish Cypriots took little part in economic activity outside agriculture. Turkish Cypriot capital in booming sectors like tourism, trade, manufacturing and con-

After the intervention the situation changed dramatically when the Turkish Cypriots suddenly found themselves heirs to the economic wealth left behind by 180,000 Greek Cypriots who

struction was negligible.

fled to the south.

The "Turkish Federated State of Cyprus"—it is not. internationally recognised but is a mini-state in many ways was proclaimed and charge of the north. Greek Cypriot businesses, land and homes were distributed to 45,000 Turks who emigrated from the south and to new settlers from the Turkish mainland. (Their numbers are variously estimated at between 20,000 and 40.000.) Manufacturing plants and hotels were either turned over to newly established state companies or to private concerns.

Despite all accusations that we are wasters the Turkish community has made progress in all fields," said Mr. Rauf Denktash, the Turkish Cypriot leader evaluating the economic position of his community. "The Turkish Cypriot community has never had it so good. We are at the zenith."

Compared with the Turkish Cypriots' pre-1974 situation this assessment may be correct. However, along the way the economy has accumulated many problems which halted eco-nomic growth in 1980 and threatens to do so this year as well. The official chain index of Gross Domestic Product (GDP) shows a sharp downward trend. In 1975 and 1976 GDP grew by 62 per cent and 31 per grew by 62 per cent and 31 per cent respectively mainly as a result of large infrastructure investments made by mainland Turkey. GDP growth further declined from 7.8 per cent in 1977 to 4.3 per cent in 1979 and was minus 0.1 per cent in 1980. "There is a decline in almost every field," lamented a Turkish Cypriot planner.

Occupation.

The principal occupation in the north is agriculture. Last year the sector accounted for 20 per cent of GDP, over 40 per cent of employment and 82 per cent of commodity export earn-

Citrus fruits constitute the single most important product (127,000 tonnes in 1979) and make up three quarters of exports. A \$40m irrigation protap rainwater and alleviate the Greek adverse effects of the salination

suffers from undercapitalisation, outdated equipment and difficulties in obtaining imported

revenues have been in excess of some Turkish Cypriota express the foreign trade deficit and fears of being swallowed up by were the equivalent of \$33m. - the economically more powerful in 1980 (the trade deficit was Greek Cypriots.

\$31m. The number of tourist arrivals was \$4.500. Most came from the Turkish mainland and visited the island to buy com-modities not available in Turkey. Tourist development is impeded by the fact that the north has direct air and sea links only with the mainland and has difficulty in attracting European tourists.

The north has also been undermined by the successful Greek Cypriot "economic blockade." The Greek Cypriots have blacklisted the new Turkish Cypriot airport at Ercan and declared Famagusta and "illegal" port There have also "illegal" port. They have also brought pressure abroad to black the north's telecomunications, trade and tourism.

Meaningful

The Turkish side also suffers from not having a central bank and from using the Turkish maintand lira as legal tender. The administration consequently has little means of im-plementing a meaningful fiscal policy or protecting the north's economy from the continuous depreciation of the Turkish lira. The principle economic prob-lems in the north are hyper-inflation and large balance of

payments and budget deficits.
The year-to-year rate of infla tion was 124 per cent in February 1980 and 70 per cent in February 1981. Deficit financing and inflation imported from mainland Turkey, where frequent devaluations are made, are the two main causes of this high rate. In 1980 only half of budgetary expenditure was met

Turkey and bank loans. Budgetary expenditure 1981 is targeted to be the equivalent of some \$61m. of which more than half will be financed by Turkey. Five-sixths

through local revenues. The

other half was financed

The balance of payments picture is not bright. In the four years between 1977 and 1980 imports shot up from T£15bn to T£70bn (\$70m) and exports from T£480m to T£38bn (\$38m). The foreign trade deficit is covered by Turkish grants and black market foreign corrency. This latter pays for nearly half of imports from countries other

than Turkey.

The high rate of inflation and higher interest rates in Turkey (7 per cent for a year's sight deposit compared to 37 per cent in Turkey) has led to the fight in Turkey) has led to the aight of money from the island to Turkey. Even Turkish Cypriot banks are either converting into foreign currency or depositing with mainland banks. This has diminished to a great extent funds locally available for investment and constitutes. for investment and constitutes one of the main reasons for the

decline in growth.

The Government has promised to take stabilisation measures following next month's general elections. The measures are likely to be a carbon conv. of these taken in carbon copy of those taken in Turkey last year, reducing government regulation and in-terference. Interest rates are expected to be increased and efforts made to reduce currentbudgetary expenditure.

Short-term prospects are not bright, however, and the Government's target of attaining a 7 per cent annual growth seems ambitious. It will not be easy to retrieve funds which fled to Turkey and the inflow of aid from Turkey may be limited. in view of Ankara's awn economic problems.

In any case the Government can do little because its scope ject in the north west citrus limited by the political status region will start this year to of the north, its isolation, the for manoeuvre is strictly Cypriot's effective

adverse effects of the salination of the underground reservoir.

Manufacturing activity is small and accounts for under 10 per cent of GDP, employment and exports. The sector suffers from undercapitalisation south and dispatients. This disparity—as more and culties in obtaining imported inputs as a result of the shortage of foreign currency.

Tourism contributes less than a per cent towards GDP but is the biggest single currency of a settlement of the Cyprus problem. Many believe that the biggest single currency the biggest single currency economic pressures are leading earner. Since 1977 tourism the island towards unity but

The Amathus way to Cyprus

prime resorts the Greek a 1:1 ratio with the population Cypriots have established in the Mr. George Michaelides, a CTO southern part of the island a official, reckons is enough.

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the best of their "temporary" place of abode. They have done

pretty well. Foreign economists

view their recovery as a mini-

Official statistics show that as

The populations of Nicosla,

glistening against the

Limassol and Larnaca have swollen considerably with the

swamped with tourists. Paphos.

in the west and isolated for years, is now attracting the

attention of land developers and

visitors, local and foreign, as an ideal place for quiet holidays. The price of land is rocketing

A recent public opinion survey showed many people (40) per cent of those interviewed) accepted that a "bizonal" solution was the most likely outcome of the Cyprus dispute, one without the immediate return of the refugees to their homes. In the opinion of the

homes. In the opinion of the

pollsters this showed that Greek Cypriots were becoming "more realistic." What was more in-

teresting was that the percen-tage was higher (44 per cent)

among the refugees themselves.

But deep in their hearts the

refugees will never forget. Even

if a compromise bizonal solution

is finally, worked out they will

continue to feel it is a settle-ment "imposed by force of

As one of them remarked:

"It hurts to be told by a foreign conqueror that you can-not visit your home again It's

even worse when you get the big powers courting Turkey.

giving her millions in economic aid, and even new weapons."

the economy picked up again, Greek Cypriots stopped emigrat-

miracle.

captors

hot sun.

everywhere.

An occasion of several firsts

GREEK ELECTIONS MARGARET HUGHES

THREE days time the Greek Cypriot electorate goes
to the polls in its first real election. It will be the first since
the death of Archbishop
Makarios, the first using a form of proportional representation and the first with a wide choice of parties and candidates. Since the death of President

Makarios, who dominated Cypriot politics for 17 years following independence, there has only been one election and that was effectively fixed before it happened. A deal was struck and the seats shared out by the Democratic Party (DEKO) of President Kyprianou (Makarios' constitutional successor), the Communist Party (AKEL) and the National Democratic

Union Socialist Party (EDEK). This alliance was formed to seep out the Right-wing Demoratic Rally Party of Mr. Hafkos Clerides, which was accused of having too many nembers suspected of participating in the anti-Makarios coup of 1974. DEKO had 21 eats, AKEL nine and EDEK our, with the remaining seat neld by an independent, Mr. lassos Popadopolous, who has since formed his own party. The Rally Party has no seats lespite polling 25 per cent of he votes.

Competing

Until the present election hese were the only parties. Now there are another threeill in the centre and basically ompeting directly with the resident's own Centre-Right EKO party from which many if the new parties' members ave recently defected. The iew parties reflect the general isenchantment with Mr. Sprianou's performance in ffice and are seen as the first ound of the next presidential lections which will be held in ebruary. 1983. Given the personalised nature of Greek lypriot politics all the party caders, with the possible excepion of AKEL's Ezekias ²apaioannou, are presidential

Mr. Kyprianon has been under first allocation—which will be ittack from all parties. He is on the basis of a proportional aid to lack charisma but then minimum of votesto would anyone who followed to go on to the second round, the other parties do well he Wakarios. He is attacked for This will be a distinct handicap may well look elsewhere for Makarios. He is attacked for the smaller parties.

or falling to adjust economic. No one expects any one party of the smaller parties.

No one expects any one party of these elections is still Makarios. The main issue, despite some expounding of the intercommunal talks.

This will be smaller parties.

But the man who dominates these elections is still Makarios. The main issue, despite some expounding of despite some expounding of the smaller parties.

The main issue, despite some expounding of the smaller parties.

The main issue, despite some expounding of the smaller parties.

The main issue, despite some expounding of the smaller parties.

The main issue, despite some expounding of the smaller parties.

The main issue, despite some expounding of the smaller parties.

The main issue, despite some expounding of the smaller parties.

The main who dominates the man who dominates the specific some specific some expects any one party in its own way making much play of past associations with Makarios. ttacked him for this and form-lly withdrew support for him ast May—although they later then EDEK with the new party ast May-although they later

dakarios coup. Mr. Tassos Papadopolous has ormed the slightly Right-ofentre and pro-Western Centre

the first Makarlos Cabinet when time Greek Cypriot negotiator Clerides' party, he does not have the same obvious coup associations as Clerides. Among his candidates at the election

three former Makarios The New Democratic Party, which has similar political leanings, was formed by Mr. Alecos Michaelides, president of the House of Representatives. House of Representatives. A successful businessman, he is known to be a good organiser and planner, but with limited political experience. A friend of Archbishop Chrysostomos, he and his party are said to represent the island's powerful Church, though this is denied

The other new party, slightly Left of centre, is the Pancyprian Renewal Front (PAME) formed by Mr. Chrysostomos Sofianos. The youngest of the party leaders, he is a former Minister of Education appointed by Makarios in 1976 but ousted by Kyprianou last year amid strong protests by AKEL.

All the new parties are in the centre and all claim to represent what Kyprianou has failed to provide—an alternative to the extreme Right or extreme Left which has polarised the essentially middle-of-the-road electorate into two camps. The new party leaders of the estab-lished parties are dwelling too much in the past and not geting on with a realistic future.

But it is by no means obvious that the Greek Cypriot popula-tion are themselves ready to forget the past. Most political pundits expect the old guard politicians to dominate the new House. Since this is the first time that the electorate has had a real choice and given that the form of proportional representation is rather complicated no one—apart from the party leaders—is making firm

Handicap

Only parties which have either polled 10 per cent of the votes or have an elected candidate and polled 8 per cent in the —are entitled

topped their attacks once leaders winning their own seats, cyprianou resumed the talks. It is also criticised for not of the campaign, Mr. Kypriringing to trial those suspec- anou's party is said to be gained of participating in the anti- ing support particularly in the villages, which account for some 40 per cent of votes, and where the new parties have less entre and pro-Western Centre
Julon Party. He is the most exJulon Party. He is the most exDescription of the last sent series of intercommunal won 30 of the 40 seats in the retire and devote himself to
House, but over the years it photography. perienced of the new party Parliament DEKO had only talks.

Both AKEL and Rally are he became Minister of Labour said to command about 30 per at the age of 24. He was also cent of the votes. AKEL is the for a short time president of the oldest (founded 60 years ago) House of Representatives dur-ing Makarios' exile and at one of the political parties. With the time Greek Cypriot negotiator packing of the powerful PEO in the intercommunal talks. Altrade union it is in percentage though at one time No. 2 in terms the largest Communist Party in Europe.

Its Marxist-Leninist platform seems strangely out of place in Cyprus' capitalist-orientated and staunchly Greek Orthodox society. It denounces Euro-Greek Orthodox communism yet works very much within the Parliamentary system itself. Led by Mr. Papaioannos, a 73-year-old austere puritan, its policies are modest in comparison with that of EDEK, headed by Dr. Vassos Lyserides and composed largely of the professional classes and intellectuals.

EDEK's political platform is thought to be too radical for essentially middle-class community but were the voting age to be lowered to 18 if could expect stronger support. It has made much of Mr. Mitterrand's victory in France.

Ambitions

Mr. Glakfos Clerides, the pro-Western former acting Presi-dent and former negotiator in the inter-communal talks-with reputedly good relations with Mr. Rauf Denktash—has strong support despite the fact that his party is still tainted with its EOKA associations and is still ed of Enosis ambitions. He has been repeatedly attacked during the campaign for dis-playing Greek rather than Cypriot flags at his election rallies. Much of his support is attributed to the fact that to many people, he is the only alternative to the Communists. Mr. Kyprianou is expected to run his full term of office to 1983 whatever the outcome of elections. If the DEKO party does not itself put up a good showing Mr. Kyprianou may in any case have to adjust his policies if he is to get the support he needs to get his legislation through the House.

Most people expect this sup port to come again from AKEL though at this stage the Communists are making no such commitment. If they do not there seems little chance of getting the backing of the Rally Party—though if the political pundits are proved wrong and

despite some expounding of economic policies, is the Cyprus problem. The Communist Party tash, the 57-year-old veteran electorate may be split and no has long said that liberty of the Turkish Cypriot leader, who is island is the first priority and virtually certain to be re- This will force Mr. Denktash to only after this has been elected "President" for another form a coalition government achieved will it presents its pro- five years. His party, the Mr. Denktash's second tenur gramme for a Socialist State.

Memories combined with realism

GREEK COMMUNITY

ANDREAS HADIPAPAS

GREEK CYPRIOTS have made big strides over the last few years as they worked to forge a future based on new concepts. new economic and social conditions, and, for many of them,

Yet all the time they have bad to "live" with the past-memories of how Cyprus used to be until seven years ago, yearuings and distant hopes that everything can be "put right" again, that the present de facto partition is not here to stay, that they will be seeing their former homes again "if not this year then perhaps the next."

Many of them realise such

opes are unrealistic. Some are rustrated and disillusioned with the whole world. The Russians and the Americans seem to have more pressing problems. The resolutions of the United Nations, the non-aligned and the Commonwealth sound superb on paper but have little practical value. "No-one seems able to move the Turks from our homes in the north, so why carry on with a futile struggle?" is the

have become numerous recently

—assure them otherwise. "We will never write off the inalienable rights of all the refugees to return to their ancestral homes," is the motto repeated by each and every of the seven political party leaders. So the Cyprus struggle" has to con-

Most of the 180,000 Greek Cypriots displaced by the 1974 conflict have found new jobs in the south. Hoteliers from the tourist resorts of Famagusta and Kyrenia have set up new enterprises in Limassol, Larnaca, Ayla Napa and Paphos. Dis-placed farmers from the Massaoria plain and citrus growers from Morphou bave been given new land and helped to reactivate themselves.

Settlements

The poorer refugees have been given aid to build new homes or have moved into the many refugee settlements built by the Government with foreign assistance. They have new friends, new neighbours, new surroundings. Life goes on.

As the years go by and round after round of intercommunal talks fail to produce a solution the refugees have had to "get settled" in the new surroundry, ings, improve their dwellings,
But the politicians—and they expand their business and make

Hopes of a small democracy

TURKISH ELECTIONS

METIN MUNIR

THE Turkish community in Cyprus is one of the smallest democracies in the world. The population is officially said to be 150,000; there are 80,000 electors and eight political parties covering the entire spectrum from the extreme Left to the extreme

next month — for the second time since the "Turkish" time since the "Turkish Federated State of Cyprus" was proclaimed in 1975—for a

has splintered and lost much of its gloss because of its failure to come to grips with the economic difficulties in the Mr. Denktash appears to

the support of Ankara hose 17,000 troops on the island exert a quiet restraining influence on community politics. Mr. Alpay Durduran's Com-munal Liberation Party (Left Centre) and Mr. Ozker Ozgur's Republican Turkish Party (pro-Moscow) are expected to increase their representation. The Democratic People's Party (liberal) under Mr. Nejat Konuk, the former Prime Minister, is also expected to

win several seats. · The other four parties do not have representatives in the house Three of them were member House of Representa- formed by settlers from the Turkish mainland and are right-

party may win a clear majority. This will force Mr. Denktash to Mr. Denktash's second tenure gramme for a Socialist State. Centre free enterprise National It is the party most in favour of building up contacts with the Turkish Cypriots, though all present five-year-long majority. except EDEK support the pre- in the last election the party Mr. Denktash says that he will

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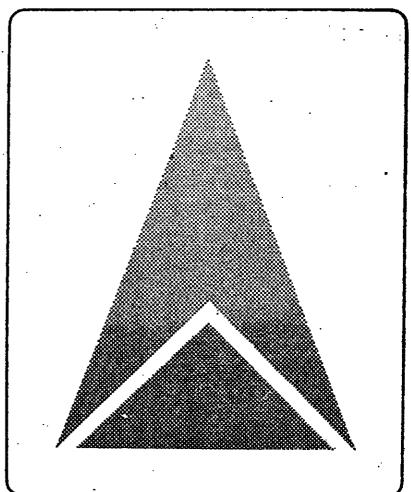
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Trade dominates other considerations

EEC RELATIONSHIPS

JOHN WYLES

THERE IS considerably more to EEC-Cyprus relationship han the occasional much pubicised rows about access for lyprus potatoes to the Community market. Cyprus' ties with two EEC members, the JK and Greece, are historical, ultural and in one case linwistic, while its strategic importance as an Eastern Mediterancan military base remains indeniable. Its domestic diffiulties between local Greek nd Turk are a microcosm of a roader antagonism between a Community member (albeit a eccent one), Greece, and an illy, Turkey, which aspires to Community membership. Fin-illy, Cyprus is a country which ooks westward by instinct and whose commercial development ias been solidly based on access nated the agenda, although the

Secretary General in the search for a solution.

For its part the Community appears to believe that it has made all the diplomatic noises that can be expected of it. It has recognised the Greek Cypriot Government currently led by President Spyros
Kyprianov as the legitimate
government of the Republic of
Cyprus and has asserted that
the basic principles of the
relationship with the divided
island are derived from a statement of 1974

ment of 1974.

Typrus Government has wished Meanwhile, EEC member or a more energetic effort by states have repeatedly called he Community to help it for a negotiated solution

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Extended and redecorated 1979. Tel: 52011. Telax: 2491. P.O.B. 150 Larnaca, Cyprus of interest to Cyprus, which was final customs unlog with Cyprus covering the Greek and Turkish granted a 40 per cent reductive even further into the future. quarters of Nicosia.

This was designed as a warning to all parties in the Cypriot dispute that the island's association agreement with the EEC would be jeopardised either by the removal of the independence or territorial integrity of o markets, particularly Britain.
Inevitably, trade has domnated the agenda, although the

"Four Lanterns" HOTEL LARNACA, CYPRUS

On the sea front by the Mediterranean. Next to the Marina.

ing to plan-nothing new for this type of agreement. Like the counterpart which the EEC has with Turkey and had with Greece before its membership, it aims at a phased approach towards a customs union based on the elimination of all tariff barriers between the EEC and Cyprus and the alignment of Cypriot and Community profits on imports from third coun-

Dependence

Quite apart from the fact that Greece and Turkey had similar agreements with the Community. agreements with the Community, association was vital for the future of Cypriot trade because of its huge dependence on the British market. Thus after the UK's treaty of accession was has been particularly insistent, signed Cyprus began negotia- makes sense from the Comsigned Cyprus began negotiations on an association agreement which was signed on worrying to Cyprus and to other
December 19, 1972. At that
time some 43.6 per cent of its
total exports went to the UK
and only 17.5 per cent to the
Community of Six. Cyprus that it has both legal and moral
received therefore a fairly rapid commitments to allow access Community of Six. Cyprus that it has both legal and moral wing parties and is said to be needed therefore a fairly rapid commitments to allow access encouraged by a weakening of reduction in EEC tariffs in for various products, particutations in the product of order to preserve its Britain- larly fruit, vegetables and wine,

two stages. The first stage provided for the reduction of tariffs on industrial goods, which in total accounted for only 12 per cent of all exports to the EEC.

A strictly and rortugal gain membership. In 1977 and making available film in grants and loans over the EEC will seek to contain five years.

The Turkish population of the during a period while it attempts island stands to gain from the production:

The Turkish population of the island stands to gain from the production:

The Turkish population of the first time as a production:

Agriculture was of far greater This could put the date of a for a large sewerage project

year. Progress has undoubtedly been hindered by the social and economical upheaval foilowing the Turkish invasion. However, Cyprus has continued to secure fresh tariff concessions from the EEC. Thus the Community has abelished its tariffs on Cypriot manufacturing tariffs under a 1977 protocol and granted preferential tariffs quotas for the island's sherries, wines and a range of fruit and vegetables.

The second stage programme Agricultural Policy as part of its budget-restructuring exer-

The delay, about which France

dominated export trade.

of which it already has a somewhat sensitive to domestic surplus. The latter adminstration of the establishment of a customs union over a 10-year period in and Portugal gain membership.

It arreses of which it already has a somewhat sensitive to adminstration of the Cyprus financial proposal surplus status. The first period in 1977 and making available to the control of the control of the cyprus financial proposal surplus status.

resolve its internal problems following the Turkish invasion of part of the island in July; 1974. It has consistently felt that the Community could do more to urge compromise on the Turkish Government and also to work harder for the deeper involvement of the UN Secretary General in the search ing to plan—nothing new for internal problems between the two Cypriot communities while the Commission diplomatic evenhandedness by receivallowed to continue to benefit to the British start negotiations in June on the trade arrangements which will apply in 1982-83. There is ment expired on June 30, 1977, but was extended on two designs the Leader of the Turkish-Cypriot community, Mr. Rauf Denistash.

The first stage of the agreement and association agreement to uwas extended on two stage of the association agreement in the trade arrangements which will apply in 1982-83. There is ment expired on June 30, 1977, but was extended on two stage of the association agreement also to continue to benefit to the preferential access it that long enjoyed to the British and Irish markets.

The first stage of the agreement and unity, Mr. Rauf Denistash.

The association agreement and unity was extended on two coasions until the end of last the trade arrangements which will apply in 1982-83. There is ment expired on June 30, 1977, but was extended on two coasions until the end of last the trade arrangements which will apply in 1982-83. There is ment expired on June 30, 1977, but was extended on two coasions until the end of last the problems of the agreement and allowed to continue to benefit to be end to cont stage of the association agree-ment but of "entering the process into the second stage.

Meanwhile, Cyprus is successfully buying and selling in other markets. In 1973 it imported £87m of goods from the Community—55.2 per cent of its total imports. By 1979 its imports from the rest of the world had risen by 127 per cent, but by 95 per cent from the Community whose £169m of sales had become only 47 per cent of Cypriot imports.

Patterns

The change in export patterns is even more marked. In 1973 62 per cent or £31.8m went to the EEC. By 1979 exports had grown by 62 per cent to £51.6m but because total Cypriot exports have risen by 148 per cent, the Community now takes only 40.43 per cent of total overseas sales

Some Cypriots are concerned about implications for future relations of this trend. Anti-EEC feeling is strong among Leftpopulation attitudes are also somewhat sensitive to the Cyprus financial proposal signed

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Arguments about the sovereign bases purely British territory — and make frequent trips. They fur- UN force in Cyprus. In addi- still has the advantage of proxi- earshot of the Soviet Union, indeed look very much like ther claim that the U.S. makes tion, the RAF uses the Akrotiri mity to the Gulf over any Cyprus is an ideally positioned Little England, with sprinklers substantial contribution airfield to train fighter squadtowards the £50m-a-year running rons from Britain and West on the cricket pitch and rows of neat semis with pretty gardens. Germany on two-week cycles in costs of the base beyond that The Cyprus Government has no required by the U2 presence. the summer when the weather control over them, a situation is more predictable than at There are reports of huge stocks of weapons and ammuni- either home base. which irks those who are committed to a non-aligned Cyprus. including dramatic Although feelings about the The latter add, of course, that accounts of underground stores bases have been strong enough they would not want Soviet of nuclear weapons. Such in the past to bring marchers bases on the island, either.

STRATEGIC ROLE MARGARET HUGHES

CYPRUS is a hotbed of political intrigue and foreign military operations, if the Left-wing Press there is to be believed. According to Western diplomats Cyprus has little strategic importance. So how strategically important is Cyprus either as a listening post or as a military base?

One of the issues of the current election campaigns, particularly of the Left-wing parties, is the two British Sovereign Base Areas (SBAs) which Britain retained after the sland's independence in 1960. They occupy 99 square miles of prime land. One is at Dikhelia in the south east close to the dividing line between the two communities; the other is on the south coast at Episkopi west of Limassol, with the adjoining RAF base and airfield

CYPRUS BEST HOSTS

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CY.T.A. is a Public Corporation responsible for the provision,

The Authority's development, seriously impaired because of the heavy losses sustained as a result of the 1974 Turkish investion (5 of the Authority's installations are in areas still under the control of the invited evidenced a mineculous recovery and some of the achievements during

All services impaired by the Turkish investon were restored to normal.

(a) Over 6,000 new direct telephone lines were added, thus bringing the total number of direct telephone lines installed to 76,000.

the total number of direct tolephone nors mounts.

(b) The capacity of the reference exchanges was increased by over 9,000 lines (end of 1979).

(c) Sixty-five countries are now available on ISD service thus over 90% of the world's telephones can now be reached from Cyprus automatically (180).

(d) Automatic teles service (IXSD) is available with 147 countries and manual service with the rest of the world (e) International outgoing automatic telephone traffic was substantially increased.

tel migrational ourgoing automatic telephone traffic was substantially increased.

The capacity of the computerised telex exchange is 2.048. The service is provided with the most modern relex units and the total number of units installed reached 1.734 against 1.494 of 1979. The Automatic Message Switching Centre, damaged during Turkish investion, was repaired and put into operation in 1977. The installation of new equipment and placing of orders for the expansion and improvement of all telecommunication services provided, both local and oversors.

The installation of the Satellite Earth Station "MAKARIOS" was completed and its operation started as from April 1980.

Progress was made towards:

(a) The provision of talephone service to subscribers in all rural areas of Cyprus within the next three years

(b) The laying of a new submarine cable Cyprus-Greece of 1,400-channel capacity. The contract has been awarded to STC UK.

(c) The introduction of radiotelephone, datel and subscribers lacking the service.

lacsimile service.

(d) The prection of new Head Offices in Nicosia to house all Mamont and Administrative Services.

intenance and development of a comprehensive local and overseas telecommunications system.

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As sovereign bases they are

They are equally concerned that the bases are being used for operations other than those specified in the treaty of estabishment which limited their use to British forces only. Use by NATO and American forces in particular are recurring com-It is true that Akrotiri is used

by the U.S. for two U2 reconnaissance aircraft which are based there in rotation and monitor the Middle East ceasefire lines with the consent of the Cyprus Government. According to both British and American diplomats this involves only 50 personnel. According to the

rumours reflect the intensity of of the Cyprus Peace Council out local emotions over foreign in protest, they have become military activity. All the last more controversial still since are denied by both the American the U.S. established its Rapid Government and the British, Deployment Force (RDF). Mrs. who point out that apart from Margaret Thatcher's committhe U2s the only troops on the ment of British troops to the bases are some 4,000 British — force in certain circumstances 3,000 uniformed army and 1,000 has sent all alarm bells ringing personnel together with in Cyprus. 150 Ministry of Defence civil

4,500 dependents. Aircraft

The only aircraft at the bases. Army Air Corps helicopters, half of which is used by the bases and half by the UN peace-keeping force in Cyprus. There Cyprus Left-wing, there are bases and half by the UN peace-hundreds if not thousands of Americans at the base, including marines, while Hercules transporters and other aircraft the RAF and the other by the East and a storage factury for equipment and supplies. The Nato countries' recent pledge of assistance to the RDP takes some of the pressure off Cyprus as a likely staging post but it

As the Cypriots rightly point out—what other base does servants and another 4,000 to Britain have available in the area but Cyprus, where there is the biggest RAF base in the world. Cyprus is seen to be the ideal overnight transit base and they add, are a flight of Alouette refuelling stop if the RDF were Army Air Corps helicopters, to be deployed in the Middle East and a storage facility for

other base in Nato countries. The British, American and

Cypriot governments all are adamant that no approach has been made for using Cyprus for the RDF. But it is early days yet and if it were the British element of the RDP which used the bases there is not much that Cyprus could do about it. This is what worries Cypriots.

Mr. Panos Paienides, general secretary of the Cyprus Peace Council, says it would be a catastrophe" if the RDF were which could lead to the truction of the island." He is also concerned that the force could be used against "our friends and suporters in the Middle East-the Arabs." too, is the Cypriot Foreign

Britain also denies that the bases are used for Nato purposes or by British troops assigned to Nato. But it is a fact that Britain is a member of Nato and a high percentage of its troops are committed to Nato use even in peacetime. It cannot be inconvenient to Nato to have the British bases at the southerntip of its - Eastern Mediterranean flank.

A side issue in the bases controversy is the row over Britain's refusal to pay for some of the services used by the bases. Cyprus is claiming a total of £250m from Britain — though the bulk of this is unpaid aid claims and the cost of resettling refugees.

A counter to the Cypriot claim is that the bases are the second largest employer on the island after the Cyprus Government. employing between 4,000 and 4,500 Greek and Turkish Cypriots and injecting some £30m a year into the local economy. They also reduce the cost of maintaining the UN force in Cyprus and provide the only air-sea rescue service available on the island.

Cypriots, and not solely the eft wing, want the bases abolished. But even if Britain felt they were of no further strategic value their handover to Cyprus could be complicated by the fact that Turkish Cypriots have already demanded that one of the bases should be

Cyprus is an ideally positioned listening post. High among the Troodos mountains in the mid west of the island is the most obvious evidence of Cyprus's role as a monitoring centre There, 6,400 ft up on top of a ski run, is the RAF radar centra from where it is able to keep a close eye on the Mediterranean and Middle East.

The other British intelligence base is at Aylos Nikolaos in the very northern tip of Dekelia which is the military telecommunications centre capable to use the bases. Cyprus, he of monitoring and decoding says, would become "the war radio traffic. This centre is zone of the two super-powers" linked with the monitoring and intelligence-gathering centre at Cheltenham, in Britain,

Signals

British troops stationed at the bases include three signals reginents—one at Troodos, one at piskopi and a third at Aylos Nikolaos — the permanently based 9th Signals Regiment.

The Americans used to have three monitoring stations of their Foreign Broadcasting In formation Service (FBIS) in the north of the island at Kanans. Mia Milia and Yerolakkos but these were closed down following the U.S. arms embargo against Turkey. The U.S. says that it is now attempting to convert these centres which they own into weekend quarters for their staff based in Cyprus. The only monitoring centre it now admits is an FBIS station next to its embassy in Nicosia

That Cyprus has more intelli-gence officers per head of population than anywhere else in the world is not difficult to believe. There are no fewer than 48 foreign embassies (including the Holy See) and a PLO office on this small island. Moreover, whatever the West may be up to the East bloc is not exactly asleep either. The Soviets have the largest listed embassy staff of 24-more than either the U.S., Britain or Greece-with no fewer than military / air / naval attaches, while the Bulgarians with a listed staff of 10, sport two and East Germany and Rumania one each. The Czech Embassy is also 10-strong. The Middle East KGB chief is also alleged to be based in Cyprus. Small wonder that the Cypriots feel that their strategic posi-Situated at the crossroads of tion is more a hazard than an Europe, Asia and Africa, and in advantage.

Double crops to catch markets

AGRICULTURE

MARGARET HUGHES

WITH THE loss of the Morphu orchards and Mesacriya wheat plains in the north of the agriculture is no longer the mainstay of the Greek Cypriot economy. Its share of Gross Domestic Product (GDP) Italy and other EEC members, declined to a record low last year of 10.5 per cent. But since agricultural produce is one of ducts. Before Britain joined the few indigenous raw EEC Cyprus used to sell it 6.5m materials the sector remains gallons of wine/wine products important because of its high added value. It is also still the largest single employer. Potatoes are now the single

most important crop, accounting for 32.8 per cent of exports —although earnings from this emphasis on table wines and source of C£11.9m (\$30.5m) attempting to go up-market were down last year because stricter control is being imposed the crop was late and prices on viticulture with the aim of and the Soviet Union in particu- tion for over 3,000 acres and a which they fetched in their producing wines to a standard lar, though in this case with pipeline supplying domestic low. Normally Cyprus potatoes trolle. Selected varieties of both fill the gap between Britain's imported and local vines are

it has been attempting to diver-sify its outlets. With both potathe demand for out-of-season

An added advantage of early are limited to growing table crops is that grown in winter grapes. crops is that grown in winter they need less water—in short supply in Cyprus—and produce a quick return. They are also ideal for cultivation under Intensive conditions on small plots of land which are the norm in Cyprus. There are also plans to develop flower-growing but here Cyprus still lacks the expertise.

About a sixth of the Cypriot projects in the south.

The C£65m Paphos project on the west coast, which will irrigate over 12,000 acres and double dam capacity in Cyprus. There are also plans to develop flower-growing but here Cyprus still lacks the expertise.

Another scheme planned to get underway a year after the double dam capacity in Cyprus. The World Bank has contributed finance for the scheme, here Cyprus still lacks the expertise.

products are major export earners and last year outstripped potatoes with exports worth C£13.17m, of which two-thirds came from wine and wine products. Again Britain is the biggest market, though most of the sales are Cyprus sherry. But having lost Commonwealth preferences and in addition liable to higher Community duties than wine producers such as France, Cyprus is busily diversifying both its markets and its probut the volume has since failen to below 4m out of total exports

cultural produce since Britain duced to form marketing became a member of the EEC systems for appellation-labelled

toes and other vegetables it on the slopes of the Troodos grows two crops—an early one mountains where the peasant which goes to Britain to meet farmers have been persuaded to vegetables and a later crop by a 20 per cent higher payment which it now sells increasingly to the Gulf states and Eastern to the Gulf states and Eastern per acre to offset the lower to the Gulf states and Eastern proper in the same sproach with table grapes.

An added advantage of early are limited to grapes.

Next to potatoes, grapes together with wine and wine

Sherry accounts for some 35 per cent of exports. Cyprus is now putting greater emphasis on table wines and proved attractive. attempting to go up-market. At the same time it has been own crop and Jersey potatoes. being cultivated in exclusive already this year—compared is the so-called Southern Con-Because of the problems areas under strict conditions, with only 300,000 gallons or so veyor System which is expected encountered in selling its agri- while legislation is being intro-

of between 8m and 9m gallons.

These grapes are being grown switch varieties and encouraged



the highest in the world.

Cyprus aims to make a strong push with these better quality wines both in the UK and elsewhere in Europe once it has customs union with the EEC—even if the quantity will be restricted—and also in the U.S. Cyprus was a late entrant

wines. It has sold 3.5m gallons and Famagusta. wine distillate. Mr. Neophytos panied the Cyprus Commerce and Industry Minister to Moscow earlier this month in a bid to boost wine sales.

Although agriculture may no longer be the backbone of the economy every effort is being made to maximise the output of the reduced land available. The a view to bringing the project Government is currently under-

Grape production amounts to vision of McDonald Partners of some 200,000 tonnes, of which the UK. Also due for comple-130,000 tonnes are used for tion next year is the C£25m wine, and is said to be among Pitsillia scheme in the southern part of the Troodos range which will irrigate some 3,000 acres and is part of a major integrated rural developments project Design work is also underway

by Wallace Evans and Partners in association with Rofe Kennard and Lapworth of the UK to the U.S. but claims it has for the Vassilikos-Pendaskinos found a good potential market scheme east of Limassol there where both the quality scheduled for completion and price of its wines have in 1984. This envisages the construction of two dams with a total reservoir capacity of expanding its sales to Europe 32m cu metres of water, irrigamain market — Britain — were like France's appellation con- the cheaper and lower strength water to the cities of Larnaca

> The biggest project envisaged some years ago. The Soviet to involve investment of some Union is also a good market for C£300m at current prices and aims to transfer large quantities Rhodas, manager of the Vine of water from the relatively we Products Commission, accomsouth western part of the island to the drier south eastern areas. World Bank finance is being sought for the project, for which the Land Resources Develop-ment Commission, financed by British aid, is preparing the feasibility study. This is due for presentation in next March with water for domestic, irrigation

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Potential ripe for development

OFFSHORE CENTRE

METIN MUNIR

CYPRUS, on the way to becoming a major offshore business centre for the Middle East, the Gulf and North Africa.

At present there are some 700 offshore companies on the island, most of which came after 1975 when the Government started introducing new legislation to attract foreign businesses. It was helped by the flight from the Lebanon when Beirut collapsed as a business centre. The island offers incentives and advantages which are probably unique in the region.

Cyprus is situated at & meeting point for Europe, Asia and Africa and provides easy access to the oil-rich Arab one of the best in the region and its telecommunications easily one of the best in the world—new telephones are abroad. Partnerships pay able banks," as a central bank souash addicts. The intended the new plush Lapasta Club outside and legislation to attract "reputside Nicosia should please installed within a few plush Lapasta. installed within a few days and no tax at all. telexes within a week or two. Operational costs are relatively low. Banks and accounting firms are professionally

Despite still having no univer-sity the island has the highest ratio of university-educated people in the world outside the U.S. and Canada and has high quality professional, managerial and administrative personnel at all levels. English is widely CYPRUS, which has been spoken and all important laws described as a "European are based on English law. The Cypriots have a knack

exemption to offshore com-panies which carry out their businesses outside the island. In 1977 this law was changed. when it was realised that total tax exemption would label Cyprus as another tax haven, cation or negotiation processes and harm the country's image.

Under the amended legislation offshore companies are taxed at one tenth of the rate of 42.5 per cent applied to Cyprus companies, Branches whose management and control

In the case of Dutch companies, which pay no tax at home if they are taxed abroad, Cyprus continues to be a tax

Foreign employees working was excountering in daily life for offshore companies pay reduced taxes. Those working in that he could name.

Cyprus are taxed at half the rate of Cypriots (a maximum of in Cyprus do have some probate of the could name which need attention. 30 per cent). Those paid through Cyprus but working

Treaties

Cyprus also has tax treaties with the U.S., Ireland, West Germany, Greece, Sweden, Norway and Denmark. When ratifiare completed the list will include the U.S., Bulgaria, and Italy.

The central bank has held back on offshore banks for fear of attracting the wrong kind of

here," said a Briton who is running a newly opened offshore zones and is yet another engineering firm in Nicosia. evidence of how a unified island Asked to count the problems he could offer more.

lems which need attention. Employees are not allowed dutyabroad are charged one tenth of the standard rate (a maximum of 6 per cent).

Furthermore, offshore entities

Furthermore, offshore entities

Furthermore, offshore entities for taking the right economic decision or quickly changing the wrong one. As a part of its effort to revive the economy after the events of 1974 the Government introduced legistation in July 1975 giving tax errors.

Furthermore, onshore entities ably. Obtaining work permits involves time consuming formalities and the deposition of passports with the police for such accounts is lower than in Europe.

Furthermore, onshore entities ably. Obtaining work permits involves time consuming formalities and the deposition of passports with the police for such accounts is lower than in Europe and the Middle East need improvement. There are also difficulties in obtaining East need improvement. There are also difficulties in obtaining visas for such countries as Saudi Arabia, Kuwait, Bahrain and the United Arab Emirates, which have no embassies in

Nicosia: As the expatriate community grows their needs, both social business, are being examined and given time Cyprus Canada, Czechoslovakla, France, should improve its already favourable environment. A group of Cypriot businessmen have set up a new school, the Falcon, which is intended and legislation to attract "reput-able banks," as a central bank official put it, is being prepared.

"They are really switched on ever lies fallow in the border between the Turkish and Greek

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P.O. Box 1326, Nicosia, Cyprus Telex: 2520 PELE CY Tel: 21-22265 Nicosia farmers

By Richard Mooney

suffer

tural economics.

high interest rates.

boosted animal feed costs and

reduced the market value of

store lambs and draft ewes. In addition, business conditions

were adverse. Input expendi-ture rose 18 per cent while in-creased borrowings attracted

As a result, net farm income

(ignoring breeding stock appre-

ciation) slumped from £84.80 a

hectare in 1978-79 to a mere £7

hill sheep farms surveyed (all

in the Bowland Forest area)

was down 11.4 per cent with sheep output down 55.9 per cent. Fat lamb prices were

down 1.8 per cent and store lambs by 6.5 per cent. Draft ewes sold for 22.2 per cent less

than in the previous season.
*From Management Survey
1978/79 and 1979/80 price £3.

Tighter rules for

BRITAIN SHOULD tighten up

argues for the phasing-out of

all drift netting and an imme-

diate ban on the use of mono-filament nets. He also calls for

dealers and for anglers to be

required to make returns of

Iceland our policies are de-ficient in many respects," he

Drift netting, aiready banned

in Scottish waters, is wasteful

and harmful with as much as

25 per cent of the salmon

caught in the nets escaping

only to die later, he says. Mono-

filament nets, which are slightly elastic, are particularly

harmful as they allow a greater number of mortally damaged

Compared with Canada or

their salmon catches.

salmon urged

Trust, believes.

By Our Commodities Staff

Total gross output for the 19

to ,

AMERICAN MARKETS

Brazilian selling rumours undermine coffee market

BY OUR COMMODITIES STAFF

NORTH LANCASHIRE hill LONDON COFFEE futures remains below 115 cents a pound Jens J. Sroka, director of Jacobs sheep farmers suffered a "staggering " income reduction of 92" per cent last season, according to a report published yester-day by the University of Mantheir holdings. By the close, London dealers said yesterday, the July position had reached. The fall has come at an chester's department of agricul-The hard winter and late spring cut the lambing rate, caused high lamb mortality,

the day. nearby positions in the past week, started in New York where speculators reacted to where speculators reacted to reports of heavy selling by The aftermath or the Brazil, the world's biggest frost, which boosted coffee prices from £400 to over £4.000 prices from £400 to over £400 t

The price slide has taken the market through established sup-port levels at £1,000 a tonne in John Wicks London and 115 cents a pound in Zurich: World coffee consump-New York prompting heavy tion should grow by between 1 stop-loss selling.

yesterday as speculators on both triggered. Anticipation of this sides of the Atlantic sold out could help to steady the market,

The fall has come at an £966.5 a tonne, down £42.50 on unlikely time. The approach of the Brazilian frost season usually holds the market steady The latest wave of selling, usually holds the market steady which has wiped nearly £100 off at this time of year as traders fear being caught short in the event of a new Brazilian crop disaster.

These reports were initially a tonne, is still fresh in dealers received sceptically in London minds but it appears prospects but it is now generally accepted of an increasing production that Brazil has re-emerged as a surplus if there is no heavy substantial seller. seasons is outweighing these

tion should grow by between 1 and 2 per cent annually in the If the New York price three-year period 1981-83, Mr.

prices crashed down through a new cut in producing coun. AG, said at the Swiss coffee the £1,000 a tonne barrier tries' export quotas will be concern's annual press conferconcern's annual press conference here yesterday.

According to the company's estimates, marked growth will be largely limited to Europe and Japan. For the U.S., the world's biggest consumer, Mr. Sroka predicted "stagnation at best."

Exportable coffee production (excluding consumption in producing countries) is seen as rising during the period to some 70m bags (60 kilos each). About 32 per cent of annual output is estimated as being made up of Brazilian arabica, 16 per cent of Colombian arabica, 30 per cent of other arabica coffee and the remaining 22 per cent of robusta types, mainly from Africa.

World coffee stocks, which stood at 29.2m bags at the start of the 1980/81 crop year, should rise to 35.3m, 40.9m and 48.1m sacks, respectively, in the three coming years, Mr. Sroka said.

EEC cuts sugar exports

BY JOHN EDWARDS, COMMODITIES EDITOR

WORLD SUGAR values rallied further reduction is due in ex- \$1.65 a tonne. yesterday following a sharp port quotas, which were drop in the exports authorised reintroduced effective from drop in the exports authorised reintrod by the EEC Commission at its May 14: weekly selling tender. White At the sugar exports authorised yester. Organisation meetings in Londay fell to 28,750 tonnes, comdon this week it was propared with 68,750 tonnes a week 'visionally agreed that exporting pared with 68,750 tonnes a week 'visionally agreed that exporting ago. The Commission also cut countries should begin building the maximum subsidy granted up special stocks to be held off its conservation rules for salmon, Mr. Gerry Hadoke, director of the Atlantic Salmon to 18.53 European currency In an article in the latest issue of Field magazine, he

The reduction in the subsidy reflects the steadier trend this week in the world sugar market, which last week fell to the lowest leve since December 1979. It is thought the a licensing system for salmon bigger than expected cut in the maximum subsidy may have dissuaded exporters from bid-ding, since the EEC still has a lot of surplus sugar to sell.

On the sugar futures market the October position fell to £176.15 at one stage before recovering to close at £179.95 a tonne, still nearly £2 down on the previous close. In the morn ing the London daily price for sugar was cut by £4 to £173 a tonne.

At the International Sugar to 18.53 European currency the market and that the units per 100 kilos against financing fee, used to subsidise 19.589 units given last week.

The reduction in the subsidiy

However these recommenda-

tions have yet to be endorsed by the Organisation's executive committee meeting today and the full Council meeting to-morrow. Under the Agreement, when export quotas are intro duced exporters are supposed to start building up special stocks of 2.5m tomnes over a three year period—lm fonnes each in the first two years and the remainder in the last year.

Cocoa pact move blocked

BRUSSELS - West Germany blocked a request by the EEC Commission for a mandate to issue a declaration on proviapplication of a new International Cocoa Agreement, at a meeting of EEC Foreign Ministers here.

The Commission had sought approval for a declaration supporting provisional application of the agreement so as to participate in a meeting of countries which have so far signed If the International Sugar the agreement, due to be called Agreement 15-day average price by UN Secretary-General Kurt remains below 15 cents a 1b a Waldheim.

The West German delegation justified its decision to withhold approval for such a declaration on the grounds that neither the biggest producer, the Ivory Coast, nor the biggest consumer, the U.S. has ratified

the agreement. However, the Commission still hopes to obtain approval from West Germany between now and the end of this month, the date by which a declaration of Support for provisional application has to be made in order to participate in the UN meet

Germany.

tonnes was imported.

Tin buffer PHILIPPINES stock buying Putting new life into suspected

By Our Commodities Staff

TIN PRICES railied on the

London Metal Exchange yesterday following unconfirmed rumours that the buffer stock of the Inter-national Tin Council was support buying in the afternoon. Cash tin closed £17.5 up at £6,110 a tonne, after falling in the morning in line with a lower trend in the Penang market overnight. It was claimed that increased offerings in Penang had offset the reported buffer stock support buying there.

Zinc values also recovered strongly in late trading, after falling heavily in the morning on speculative selling. Cash zinc closed £5.5 down at £397 a tonne, but the market moved and after hours trading. Buying was attributed to

influential trade sources. Copper prices gained ground too in late trading, reflecting the firmer trend in the New York market. Cash wirebars closed £6.5 down at £834 a tonne before rallying. There was little reaction to news from Chile that the management had threatened to close down the El Teniente mine if the strike there is not ended soon. Cash lead fell by £11.5 to £330.5 a tonne on nervousness about the talks due to be held today seeking a settle-ment of the stoppage at the St. Joe Minerals mining and milling plants in Missouri. The strike has now lasted seve weeks.

Ireland wins West German beef contract

By Our Commodities Staff

THE IRISH Livestock and Meat Board has won a contract to supply £7.5m worth of beef a year to West

Two Irish meat plants, Angio Irish Beef Group and Tara Meats, will send eight container loads a month for sale through 170 supermarkets owned by the Nanz Group.

West Germany is Europe's biggest beef consumer with 1.37m tonnes in 1980, of which between 190,000 and 210,000

Yest'r'ys Previous Busine close close Don

Jly Sept 58.28-58.50 59.00-59.10 50.18-59.50 Oct-Dec 53.48-65.50 52.10-57.50 55.56-52.70 Apl Jnc. 58.40-65.50 55.00-55.20 55.20 55.70 Apl Jnc. 58.50-59.40 \$7.30-58.50 68.69

Sales: 331 (194) lots of 15 tonnes nil (1) at 5 tonnes. Physical closing prices (buyers) were: Spot 55.50p (54.50p); June 59.50q (58.50p); July

SOYABEAN MEAL

The market opened with small gains

88,40-88,50[†] 65,00-65,20|86,59-65,70 68,50-69,40[‡] 67,88-68,50|88,89

export market, Unicom, in part-nership with Henkel of West Meanwhile, shipments oconut oil to China and the Soviet Union continue to rise \$100m coco-chemical plant that since these markets were opened in 1977. Exports of coconut oil to China totalled will process most of the country's coconut oil and produce

the coconut industry

BY EMILIA TAGAZA IN MANILA

pect greater purchases by

tries before resorting to imports

of substitutes from non-member

countries.
Over the long term, it is the

Philippines' aim to be able to process its coconut oil and no

longer depend heavily on the

Russia this year.

fatty alcohol for use in the 21,000 tonnes last year against local manufacture of soaps, 19 000 tonnes the previous year. detergents and cosmetic pro-Shipments to the Soviet Union ducts. reached nearly 67,000 tonnes But for the time being, the last year compared with 61,000 Government seems to have no choice but to subsidise the in-In spite of the postponement dustry heavily. To diffuse the

being used to put new life into to the Soviet Union, traders ex-

Mr. Rolando de la Cuesta, administrator of the Philippine Coconut Authority, has dis-But it is significant that the closed that negotiations are Government's financial support continuing with countries that will comprise the "third marfor the industry seems to be intended more to create a new ket" for Philippine coconuts. domestic market for coconut He said that the Philippines

last month of certain shipments restlessness of 800,000 depres-

Ferdinand

will formally propose to the Asia-Pacific Coconut Com-munity the idea of an inter-President Marcos has assured millers that the Government regional marketing arrange-ment that would give priority to the importation of coconut products from member coun-

will buy all excess oil produc-tion which, at the current capacity of operating mills, is estimated at 160,000 to 170,000 tonnes. At the same time, the President ordered government agen-

sion-ridden farmers, President

ordered millers to buy the far-

mers copra at 2 pesos (26 cents) per kilogram.

Marcos recently

cies, particularly the Philippine National Oil Company (PNOC) and the National Power Corporation to absorb such excess by blending 10 per cent coconut oil with 90 per cent diesel for use as hunker and fuel. PNOC is set to buy an initial 15,000 tonnes of coconut oil this month. Using coconut oil domestically for his non-traditional use appears to be the Philippines' new tack in trying to sustain, if not improve, prices. How-ever, last year it failed to influence prices when Unicons simply retained heavy stocks of

India faces jute crisis

BY P. C. MAHANTI IN CALCUTTA

its worst liquidity crisis in backing prices in order to comrecent years due to heavy unsold stocks which at the end of April stood at a record 111,000 tonnes.

A TWO-PRONGED attack is

the moribund Philippines coco-

nut industry. One is the expansion of new export markets.

breaking the traditional depend-

ence on the U.S. and EEC. But

longer term aim is to develop

non-conventional domestic uses

Millers and traders are pre-

dicting improved prices this

the Central Bank Indicate that

foreign exchange earnings from

coconut products are rising

Special trading missions

during the past year have

approached other Asian, Middle

East and socialist countries.

India of between 35,000 tonnes to 45,000 tonnes of crude coco-

nut oil for shipment this month

ear. Latest figures issued by

for coconut oil

and next.

The deputy chairman of the Indian Jute Mills Association Mr. R. N. Kanoria attributes the crisis to poor overseas demand resulting from the U.S. recession and to erratic buying by the Russians. The USSR is a big customer of Indian jute goods, especially hessian material.

India is having to take measures to counteract Bangladesh competition both in the Russian buying so soon after labour force employed and world jute pact talks at Seneua. maintain the jute growers.

The Indian jute industry faces Recently India cut carpetpete with Bangladesh goods in the U.S. market where the latter has persistently undercut India. Mr. Kanoria has urged the industry to "make sacrifices" to

maintain a foothold in the world iute market and he expects New Delhi to share the sacrifice. This is an indirect appeal for cash aid which the Government has stopped for the past three years. According to Mr. Kanoria the current market prices for Indian jute goods are much below the actual cost of production. The mills are losing money daily yet they have been forced to pro-U.S. market and in respect of duce to full capacity to keep the

domestic market has been a source of strength-out of total production of 1.4m tonnes last year the domestic market absorbed nearly 100,000—yet in value the 405,000 tonnes exported brought in more than half of the revenue. Since the industry's viability even today depends on exports, it must go all out to maintain its share of the world jute goods trade. The chairman of the Indian

industry's

The

Jule Mills Association, Mr. G. Sivaraman, has been urging the industry to diversify more into decoratives and lightweight hessian in order not only to hold on to its share of the world consumption of jute goods but even to enhance it in value terms.

BRITISH COMMODITY MARKETS

BASE METALS

fish to escape.

coupled with a decline in sterling in the afternoon, new forward metal recoup the early losses and close the late Karb at £858.5, Turnover: 18,050

COPPER	e.m. Official	+-	p.m. Unofficial	T-
	4	. 4	ß	. 🛔
Wirebars Cash, months Settlem't	832.5-3 856-7 833	_7 _7 _7	833,5-4,5 8585	-5. -6
Cathodes Cash & months		_5 _7	828-9 847,5-8	5. 5
Settlem' 8. Prod	828	-5	*83,65-86	

Amalgamated Metal Trading reported that in the morning cash wirebars traded at 1833, three months £857, 56, 56.5, 57, 57.5, 56.5 Cathodes, cash 5827, three months £856.5, 57, 57.5. Afternoon: Wirebars, three months £856.5, 57, 57.5. Afternoon: Wirebars, three months £857.5 Karb: Wirebars, three months £847.5, Karb: Wirebars, three months £847.5, 58.5, 59.

TIN-Gained ground, despite a fail in Penang, on rumours of possible support buying by the buffer stock manager. Three months tall to £8,150

PRESCOT COMMODITIES LIMITED

PUBLIC NOTICES

NEWCASTLE-UPON-TYNE BILLS f10m 91-day bills issued 25/5/81 due 9/8/81 at an average rate of 11.5954 n. polications 675m. No others out-

SOLIHULL METROPOLITAN BOROUGH

£2.5m Blis doe on 18th August, 1981.

Tre offered on 20th Mev. 1981, and

Tre affocated at a rate of 112,2°p.

Polkerstora massing £3.5m.

Prike devianding & £5.5m.

Dealers in Commodities & Foreign Exchange

6 BLOOMSBURY SQUARE, LONDON WC1A 2LP, Tel: 01-242 0568. Teles: 23110

HERTFORDSHIRE C.C. MILLS.

COPPER Lower on the London Metal High Grade 2 2 2 of Exchange. Forward metal fell to 1858 In initial dealings reflecting the rise in Section 1 5075 45 6225-30 + 15 Cash 6065-75 -37,5 610 \$ months 6185-95 -37,5 621 \$ settlem.t 6075 -35 \$traits E. \$329.41 -8.11

65, three months £6,180, 90, 6,200, 10, 05, 6.200, Grade, cash £6.075. high Grede, coah 20.073. Name: Standard, three months. £6,190. 95. Afternoon: Standard, cash three months £6,210, 20, 25, 30, 35, 40, 35, 30. Kerb: Standard, three months £5,230, 35, 40, 30, 35. 30, 40. 30.

morning and afternoon Rings the price held around £340 prior to closing the late Kerb at £340.5. Turnover: 12,875

manager, in ree months test to 100 to early dealings but quickly railed to close the morning Kerb at £8,200. This trend continued in the afternoon as influential buying, coupled with the rumours of buffer stock purchases saw three months edge up to close the late Not at 15 220 three 55 20 Threeser. ZINC—Down but well above day's lows. Forward metal dropped £402 in early trading owing to protaking and general liquidation. Hever, the market staged a strong Kerb at £5,230, after £5,240. Turnover: 1,605 tonnes.

covery on the late Kerb when sizeable and influential buying interest lifted three months to £412.5 at the close of trading. Turnover: 16,100 tonnas.

	ZINC	Official		Unoffie'i	ŀ
105-15 +17.5 225-30 +15	Cash 3 months 5 ment Primw'ts	403-,5 394	-5.5 -6	£ 396,5-7,8 406-7	Ξ.
£5,075, 70, 75, 80, 85, 6,185, 90, Karb: Stan- 95. After- res months	Morning 1, 1.5, 2, Three mor 7.5. After 6, 6.5, 6, 3, 2, 1.5,	nthis £404 rnoon: Th Karb: 2, 3, 2,	.5, 3, , 5, 6 ree m Three 1, 2,	2, 3. , 6.5, 7, onths £4 months 3, 4, 5,	6, 6, 6, 6,

SILVER

COCOA

Silver was fixed 0.15p an ounce higher for spot delivery in the London buillion merket yesterday at 522.7p. U.S. equivalents of the fixing levels were: spot \$10.95, up 1.3c; three-month \$11.445, up 0.6c; aix-month \$11.946, up 3.5c; and 12-month \$12.986, up 5c. The metal opened at 522-529p (\$10.85-11.00) and closed at 522-529p (\$10.90-11.05).

SILVER Buillon to LM.E. tor per fixing p.m. troy oz price Unoffic!

Spot 522.70p +0.15 525p +0.5 3 months 538.20p +0.15 540.25p +0.76 6 months 556.00p +0.55 _ 12 months 695.00p +2.10 _

Seles: 2,282 (3,242) lots of 10 tonnes. ICCO Futures Daily price for May 19: 86.42 (87.05); five-day everage 87,32

LEAD—Lost ground on profit-taking and nervous hadge selling after the recent good gains. Forward metal opened at £349 but quickly attracted heavy selling which lowered the price to £338 on lets pre-market. In the properties and externors Riggs the output flecting currency fluctuations which saw forward matal decline to 5841 before a recovery to £648.5 on the late Karb. Turnovar: 6,675 tonnes. a.m. + or p.m. + or Official - Unofficial -

tonnes.				
LEAD	e.m. Official	+ <u>or</u>	p.m. Unofficial	¥°
 Cash 3 months 3 ment V.a. Spot	£ 350-1 339-40 331	- 12,7 12,5 12,5	339-,5	-11 -12
	•	:	L	

Cash 3 months 3 ment V.s. Spot	330-1 339-40 331	12,5 12,5	330-1 339-,5	-11 -11
Morning 40.5, 40, 4 months E3 39. Aftern 40.5, 41, 4 £330, three	40, 40.5, opn: Thr 0.5, 40,	40, 39, 40, 3 ee mor 39.5, 39	Kerb: 9.5, 40, oths £340 . Kerb:	Thre 39.5). 4° cas

obustes commuse the recent decime owing further losses in the New k 'C' market, reports Drexel Burnham Lambert. New contract lows were established in September onwards

terda Close er to 55-72 56-67	nne	+_or -37.0	Busine Done
55-72	3 -	-37.0	1.
			980-
56-67			
	7.⊢	-42.5	989-
69-70) <u>'</u>	44,5	991-
56-57	7 '-	-52.0	985-
44-50) :-	47.5	973-
51-52	3 !-	-38,5	965-
45-58	3 !-	41.0	975
	56-57 44-50 51-58 45-58	56-57 44-50 51-52 45-58	56-57 —52,0 44-50 —47,5 51-52 —38,5

(U.S. cents per pound): Comp. Daily ICA 1978 112.46 (114.04); 20-day GAS OIL FUTURES The market opened unchanged to a dollar lower and barely moved all morning on light trading. In the afternoon the market traded nervously before falling on a weeker New York opening to close at or near the lows,

55	Morning: Three months £842.5, 43, 42, 42.5, 42. Kerb: Three months £843, 42, 43. Afternoon: Three months £844, 44.5, 45, 45.6. Kerb: Three months £645, 47, 48.	The market opened unchanged to dollar lower and barely moved a morning on light trading. In the after noon the market traded nervous before failing on a weaker New Yor opening to close at or near the lower reports Premier Man.
	NICKEL—Steady with forward metal recouping early losses to close the late Karb at £3,085. Turnover: 1,074	Month Yesterdys + or Business close - Business Done
	TORRES.	5 U.S.
	NICKEL s.m. + or p.m. + or Unofficial -	June 276,50 2,50,278,60,78,50 July 279,50 1,50,232,08,73,90 August 284,00 1,50,234,75,82,50
	Spot 2990.5 55 3020.30 -5 a months 3040.5 -20 3072.5 +8.5	September: 290,00 -1,00,291,00-85,00 Ootbober
1	Morning: Cash £2,890, three months £3,040, 35, 30, 34, 35, 38, 40, 45, Attenuon: Tures months £3,055, 60, 70, 75, Karb: Three months £3,075,	Fabruary 317.50 +1,00 Turnover: 484 (1,075) lots of 10tonnes.
	* Cants per pound. # M\$ per kilo. † On previous unofficial close.	GRAINS

GRAINS

-0.85 95.60 -0.10 99.45 -0.10 102.95 -0.10 106.40 Business done—Whest: Mey 115.45-114.80, July 117.00-116.55, Sept. 107.80-101.75, Nov. 105.50-105.40, Jan. no trades, March 113.05-113.00. Sales: 147 lots of 100 tonnes. Barley: May 101.40-101.00, Sept. 95.80-95.55, Nov. 99.50-99.35, Jan. 102.95 one trade, March 105.40.105.20. Soles: 134 Inte 99.50-99.35. Jan. 102.95 one trade, March 106.40-105.20. Sales: 134 lots

LONDON GRAINS-Wheet: U.S. Dark

LONDON GRAINS—Wheet: U.S. Dark Northern Spring No 2 14 per cent June 106:75, July 106:50, Aug. 106:25 transhipment East Coest. U.S. Hard Winter 124; per cent June 106:25, July 106, Aug. 106:50 transhipment East Coest. English Feed tob June 119, Oct./Dec. 103 East Coest sellers, Sept. 105:25 paid East Coest. Maire: French second half May 126, June 128:50 transhipment East Coest. South Aircen Yellow June/July 90:00 seller. Barley: English Feed tob May 107:50, Aug. 97:50, Oct./Dec. 103:25 East Coest. Rest unquoted. LMS—Turnover: 265 (113) lots of 10,000 ozs. Moming: cash 524.3; three months 537.5, 39. 39.5, 40. Karbs: three months 540, 39. Afternoon: Fotures remained steady, continuing to trade within a narrow range for es to close unchanged from those of Tast right. Modest producer sales were absorbed by manufacturar ofitake while further interest for nearby real-cocce persisted, reports Gill and Duffus. HGCA — Locational ex-farm apot prices. Other milling wheat: Eastern 115.00. Feed barley: Eastern 100.00, E. Midlayts 102.10. Scotland 100.30. The UK Monetary Coefficient for the COCOA Close - Dons

RUBBER

The London physical market opened slightly steadier, with fair terminal interest throughout the day, closing questly steady. Lewis and Past reported a fob June price for No. 1 RSS in Kuele Lumpur of 270.0 (296.5) cents a kg and SMR 20 229.0 (238.0).

PRICE CHANGES

Free Mkt \$1295/1825

Piztin'mtr'y oz £230,0 Freemkt \$220,20 Quickelivert \$420,430 Silver troy oz 522,70p 5 mths 538,20p in thin trading conditions, reports
T. G. Roddick. Prices drifted from
opening levels but found commercial
support at lower levels and closed
unchanged on the day.

Sales: 84 (100) lots of 100 tennes. 10NDON DAILY PRICE—Raw suger 173.00 (\$177.00) a tonne cif May-lune-July shipments, into suger daily June-July shipments. has sugar daily price £195.00 (£195.00).

The market drifted during the morning until Aug. touched £175 at which level support was uncovered. Prices recovered after the EEC gramted export restrutions for only 28,750 tons, reports C. Czarnikow. Other

Aug. ... | 178,25-78,661180,25-88,401181,00-75,90 Oct. ... | 179,59-85,001181,58-81,76181,56-76,75 Jan. ... | 181,25-81,56,182,00-85,001180,00 March | 185,90-85,151185,561-85,801385,25-81,80 May ... | 188,75-87,00,187,01-87,25188,90-85,50 Aug ... | 188,95-81,96189,56-80,00 Salas: 6,080 (5,883) loss of 50

Sales: 6,080 (0,005) form of the tonnes.

Tats and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £264.5 (£268) for export.

Intermetional Sugar Agreement (U.S. cents per pound) fob and stowed Canbbean port. Prices for May 18: Delly price 14.43 (14.92); 15-day average 14.69 (14.77).

COTTON

LIVERPOOL—No anot or shipment sales were recorded, leaving the total for the week so far at 183 tonnes. Surjing was severely restricted, with not more then occasional interest shown in any growths. Absence of support was a notable factor, lew transactions of weight being under review. **WOOL FUTURES** SYDNEY GREASY WOOL-Close (in

SYDNEY GREASY WOOL—Close (In order: buyer, eatler, business). I Australian cents per kilo. May 495.0. 496.0, 497.0-494.0; July 503.0, 503.5, 503.5-501.0; Oct. 496.0, 497.0, 497.9-496.5; Dec. 503.5, 503.9, 504.0-502.5; March 510.0, 511.0, 511.0-509.0; May 510.0, 517.0-519.0; Oct. 520.5, 521.0, 521.0, 519.0; Oct. 520.5, 521.0, 521.0-519.5; Seles: 287.

LONDON NEW ZEALAND CROSSBREDS—Close (In order: buyer, satier, business). New Zealand cants per kilo. May 358, 379, 382; Aug. 372, 379. nil: Oct. 373, 375, 374; Dec. 377, 381, 379-378; Jan. 380, 382, 378; March 385, 390, nil; May 385, 399, 385; Aug. 403, 407, 404; Oct. 405, 406, nil. Sales: 45.

May 20 + or Month 1981 - 890

Free Mkt | BESS £213.5

-2.85 £220.50

+0.15 531.65p +0.15 547.60p

;+ 17.5·25,995 nut (Phil). \$570= indnut ed Crude. £425 i Malayan. \$580; +5 8570£406 Copra Philip.... S590: Soyabsan(U.S.) \$312:

Barley Fut.Sep £95.60 Maize£126 WheatFut_Sept£101.85 No2 HardWint £106,252 -0.5 E108.0 commodities
Cocos ship't 2997
Future July 2996.5
CoffeeF t' July 2966.5
Cotton Andexe 73.80
Gas oil July 879.5
Rubber (kilo) 55.50
Sugar (Raw) 21787
Woot' pa tis kil 337p kilo 555p kilo

† Unquoted. u May-June. v June-July. x June. y July. z Aug. † Per 45-lb flask. HIDES—Leads: In some cases the market was slightly weaker. Second clears. Or: 31-35.5 kg, 43.0p a kg withdrawn (45.0p a kg): 26-30.5 kg, 43.0p a kg (43.4p a kg): 22-25.5 kg, 50.0p a kg (49.1p a kg). Light cows: 25.5 kg, 40.5p a kg (36.8p a kg).

POTATOES

LONDON POTATO FUTURES—The market found good two-way trade interest to stay in a narrow range all day, Prices closed around mid-range, 10-20p higher, reports Coley and Harper. Closing prices: Nov. 59.70, +0.1 (high 59.70, low 69.50); Feb. 67.80, +0.1 (high 67.90, low 67.70), April 74.90, +0.2 (high 75.00 low 74.90). Turnover: 106 (75) lots of 40 tonnes.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Best: Scotch killed sides 76.8 to 80.5; Ulster

Scotlar kind state 70 to 30.5, Ossequariers 81.0 to 58.0; Eire hindquarters 91.0 to 95.0, forequeriers 58.0 to 57.0. Veal: 55.0 to 58.0; Eira hindquarters 91.0 to 59.0; forequerters 58.0 to 57.0. Veal: Dutch hinds and ends 128.0 to 134.0; tamb: English small 87.5 to 94.5; medium 86.0 to 90.0. Imported frazan New Zealand Pt. 71.0 to 72.0; PM 69.0 to 70.0. Pork: English, under 100 lb 48.0 to 52.0, 100-120 lb 48.0 to 51.0, 120.160 lb 48.0 to 51.0, 150.0 lb 48.0 to 51.0 lb 48.0 to 5 120-180 Ib 46.0 to 50.0.

MEAT COMMISSION—Average Fatstock Prices at representative markets
on May 20. GB—Cartle 93.71p par kg

Iw (-1.02). UK—Sheep 189.45p per kg est. dow (+1.03). GB—Pigs 74.85p per kg hw (-2.25). COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where atherwise stated. Imported Produce: Oranges—Outspan: Nevets 48 4.50, 56 4.30, 72 3.90, 88 3.70, 112 3.00; Californian: 88/138 4.50-4.80; Jeffs: Valencia Lates 56/169 4.30-4.80; Jeffs: Valencia 5.00; Cypriot: Valencia Lates 80/120 3.20-3.50; Moroccan: Lates 56/13 3.30-5.00. Lamons-Spania Trays 25/50 2.00-2.20; Boxes 60/100 5.20; Cali-

Tin—590.00-599.00 (592.00-603.00). CHICAGO. May 20. Lard—Chicago loose 19.50 (same). Live Cattle—June 67.80-67.70 (67.65). Aug. 65.10-65.20 (65.22), Oct. 64.05. 84.10, Dac. 65.50-65.65, Feb. 66.95-66.85, April 69.30, June 69.80.

NEW YORK, May 20.

COPPER FINISHED LOWER on local and stop loss selling on the close. Sugar advanced strongly after EEC sales turned out to be less then expected. Commission house and local selling depressed the coffee markets to new lows but prices railled strongly to-ward the close. Heating oil was under pressure from technical colling and finished sharpy lower, reported by

Heinold.
Copper—May 79.45 (79.80), June 80.00 (80.40), July 81.10 (80.40), July 81.10 (80.40), July 81.10-81.30, Sept. 83.80, Doc. 87.80, Jan. 89.95, March 91.30, May 93.55, July 95.80, Sept. 98.05, Dec. 101.40, Jan. 102.70, March 104.70. "Gold—May 481.3 (475.8). June 481.5-483.0 (478.5). July 489.5, Aug. 496.0-497.0. Oct. 510.6, Dec. 524.6, Feb. 538.6, April 552.6, June 566 6, Aug. 580.6, Oct. 594.7, Dec. 608.9, Feb. 623.2. 74.5 (73.9). Feb. 80.4-82.0 (80.4). March 86.0, April 97.4. Sales: 170.

March 86.0, April 97.4. Sales: 170.

*Platinum—May 450.0 (454.2). June 485.2 (450.3), July 469.0-469.5, Oct. 488.5, Jan. 510.0, April 530.6, Silvar—May 1095.0 (1088.0), June 1099.0 (1102.0), July 0, June 115.0-1116.0, Sept. 1149.0, Dec. 1198.0, Jan. 1216.8, March 1249.5, May 1282.2, July 1314.9, Sept. 1347.6, Dec. 1387.1, Jan. 1415.4, March 1446.1 Handy and March 1446.1 Sept. 1347.6, Dec. 1397.1, Jan. 1413.4, March 1446.1. Hendy and Harman builion spot: 1088.00 (1092.00).
Sugar — No. 11: July 15.10-15.20 (14.52). Sept. 15.55-15.58 (14.92). Oct. 15.63, Jan. 15.88, March 16.25, May 16.49, July 16.79, Sept. 18.95, Oct. 17.08. Salsa: 14,770.

54.65, Fob. 56.20-56.05, April 56.00, June 57 80, July 57.97.

\$\$\frac{1}{2}\$ \text{Maize} — July 57.97.

\$\$\frac{1}{2}\$ \text{Maize} — July 355\$\frac{1}{2}\$-356 (353\$\frac{1}{2}\$), Sept. 366\$\frac{1}{2}\$-368\$\frac{1}{2}\$, \$\text{Maich}\$ = \$\te July 26,80-26,90.

†Whest—July 412*-412 (414), Sapt.
430*-450 (430*-), Dec. 457-457*, March
480-480*, May 491.

**WINNIPEG. May 20.

**Barley—May 150.70 (150.10), July
157.00 (150.70), Oct. 149,30, Dec.
149,80, March 150,70.

**Whest—SCWRS 13 5 per cent protein content cil St. Lawrence 259.54
(259.88).

EUROPEAN MARKETS

ROTTERDAM, May 20.

Wheat—(U.S. S per tonne): U.S.
Two Derk Hard Winter 13.5 per cent
June 204, July 205, Aug. 207, Sept.
213, U.S. No. Two Red Winter June
186, July 185, U.S. No. Two Northern
Spring 14 per cent May 205.50, June
204, July 203.50, Aug. /Sept. 208, Oct.
212, Nov. 215,
Maize—(U.S. S per tonne): U.S. No.
Three Corn Yellow afteat May 158.50,
June 159, July 161.50, Aug. 184, Sept.
185, Oct./Dac 163.80, Jan./March 178,
Soyabeans—(U.S. S per tonne): U.S.
Two Yellow Gulfports May/June/July
308.25, Aug. 307.50, Sept. 308.75, Oct./
Nov. 310, Dec 314.90, Jan. 320, Feb.
326, March 329.40 sellers.

Soyamesi—(U.S. 'S per tonne): 44 per cent protein U.S. sfloat 258, June 263, July 266.50, Aug. 266.50, July/ Sept. 259, Nov./March 281, Brazil Pallets affoat May 274, June 277, July 279, June/Sept. 281. PARIS, May 20.
Coccos--(FFr per 100 kitos): May 9891,023. July 1,030-1,043. Sept. 1,0751,085. Doc. 1,105-1,110. March 1,1351,144. May 1,160-1,175. Seles at call: Nil. Nil.
Sugar—(FFr per tonne): July 2,1802,250, Aug. 2,200-2,202, Oct. 2,1952,165, Nov. 2,150-2,170, Dec. 2,1502,155, March 2,200-2,230, May 2,2102,256, July 2,215-2,270. Sales at call:

INDICES

May 19 May 18 Month ago Year ago 252,55 252.94 261,69 270.40

May 15 May 18 Month ago Year ago

1081.1 1080.3 ; 1111.7 | 1106.4

(December 31, 1931 = 100)

FINANCIAL TIMES

May May Month Year 19 18 830 ago Spot - 589.45 392,62407,88436,47 Fut'rs 395,43 399,12420,28437,25 (Average 1924-25-26-100)

1696.7 1690.2 1697.1 1708.7

(Base: September 18, 1931 = 100)

DOW JONES

fornian 115/140 5.80-6.20: Italian: 100/ 120 4.50-4.80; Outspan: 80/100 5 00-5.40; Jaffa: carrona 60/90 4 80-5.20; 5 40: Jaffa: cartona 60/90 4 80-5.20,
Grapafruits—Outspan: 40 3.80, 48 4.20,
56 3.80, 72 3.50: Cypriot: 20-kg 40/82
5.5: Jaffa 2-kg 35/75 3.85-4.75, Topa2—
Jaffa 22-lb 40/80 2.80-3.00. Apples—
S. African Granny Smith 7.00-7.50,
6 Golden Delicious 7.50-7.80, Starking
7.00-7.50; Chilean: Granny Smith 6.807.20: Canadian: McIntosh Rede 3.20;
U.S.: Red Delicious 9.00-10.00; Franch:
Golden Delicious 40-lb 125/176 4.004.80: 20-lb 72 2.40, 84 2.00; Italian:
40-lb Romes 60/70 4.40-4.80; New
Zealand: Cox's Orange Pippins 9.8010.40, Golden Dalicious 7.00, Kidd'a
0 range 8.00, Granny Smith 7.00, Red
Delicious 7.50-8.20; Tasmanian: Jonathans 5.20, Golden Dalicious 6.80,
Granny Smith 7.00, Sturmer Pippins
8.00-8.40, Pears—Bolgien: Conference
per pound 0.10-0.12: Italian: Passathams 6.00-6.80, Baurre Bosc 5.50; New
South Wales: Packharms 40-lb 6.80-9.50;
7 Tasmanian: Packharms 40-lb 6.80-7.50. Tasmanian: Packhams 40-lb 5.80-7.20; New Zealand: Packhams 40-lb 7.00-7.50. Apricots—Spanish: 11-lb 4 00-4.50. English Produce: Potatocs—Per bag

2.50-3.40. Mushrooms—Per pound 0.50-0.60. Apples—Per pound Bramleys 0.08-0.15. Laxtons 0.08-0.12. Cox's 0.14-0.22. Cauliflowers—Per 12. Kent Per bag 3.20, Spring 22-lb 2.00-2.20.

Bestrouts—Per bag 1.80-2.00. Letturess
—Per 12, round 1.00-1.20. Cas 10/12
1.80. Tomatoes—Per 12-lb D 4.60, E
4.50. Lesks—Per 10-lb 1.80. Rhubarb Per pound, outdoor 0.04-0.08. Carrots —Per 28-lb 3:00-3:50. Radishes—Per pack of 12 x 8-oz 1.50, bunches of 15 1.20. Onions—Per 55-lb 40/60 7:00, 80/60 7:50, Spring trays x 20 bunches 1:50. Celeny—Per 15/24 5:50-6:00. Cucumbers—Per 10/20 1.60-2.00.

GRIMSBY FISH — Supply good, demand fair. Prices at ship's side (improcessed) per atone: Shelf cod £3.00-£4.00, codlings £1.00-£2.50. Large haddeck £3.50-£3.00, medium £4.00-£4.90, small 1.50-£3.10. Medium plaice £4.90, best small £2.50-£3.00. Skinned doglish (large) £8.00-£9.00, medium £3.00-£8.00. Lemen soles (large) £5.00, medium £7.50. Rockfish £1.50-£2.40, Seithe £1.70-£2.80.

FINANCIAL TIMES STOCK INDICES

Earnings, Yld. 2(fult) 11,83 11.60 11,51 11.60 11,57 11,73 80.05 P/E Ratio (net) (*).... 10.61 10.88 10.90 10.91 10.85 10.68 6.05

10 am 545.7. 11 am 549.1. Noon 545.9. 1 pm 544.9.

2 pm 544.9. 3 pm 544.9.

Latest Index 01-246 8026.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord.

86.79 67.33 67.23 68.86 66.53 66.42 67.58 68.57 68.78 68.75 69.14 69.05 69.15 68.00 544.8 555.9 562.3 561.0 558.1 551.5 451.6

566.0 370.1 566.6 569.5 368.0 379.2 510.6 6.05 5.98 5.86 5.87 5.90 5.96 8.22

International pressures affect markets and 30-share index falls 11.1 to 544.8—Gilts also down sharply

Dealings tions Dealings Day May 1 May 14 May 15 May 26 May 18 May 28 May 29 June 8 June 1 June 11 June 12 June 22
"New time" dealings may take
place from 9.30 am two business days

The weakness of international financial markets allied to growing U.S. opposition to the tight money policies being followed there adversely affected London stock markets yesterday. A fin-ancial commentator's view that Minimum Lending Rate might rise before it falls was an added irritant, while the industrial production figures for March provided further disappointment. The two main investment areas

turned down sharply and the equity sectors appeared to be feeling the after-effects of Tuesday's institutional selling. A swift lowering of leading share prices at the opening appeared to stiffle any sizeable selling but stock still came on offer from nervous holders. The stock was gradually placed but the market remained uneasy in the belief that any sustained recovery in values might lead to re-activation of some of the larger selling orders which were withdrawn on Tuesday. The extent of the early mark-down was measured by a 10 am fall of 9.2 in the FT Industrial Ordinary

NEW HIGHS (61)

PREW MIGHS (61)

PORTIGN BONDS (1)

AMERICANS (5)

BANKS (1)

BEERS (4)

BUILDINGS (3)

RAPERY & STORES (3)

ELECTRICALS (5)

ENGLESTING (2)

FOODS (2)

HOUSTRIALS (16)

LEISURE (1)

PAPER (1)

PAPER (1)

PROPERTY (2)

SHOUST (2)

TEXTILES (2)

NEW LOWS (27)

1989-92 FOREIGN BONDS (1)
Ireland 9-loc '91-96
EANKS (5)
Alexanders Discount Jessel Toynbee
Midland 10-loc Standard Chartered
1993-98 Union Discount

F.F.I. 74pc A Deb. 1989-92

weighed domestic support en-gendered by Government plans to reduce local authority grants. Sentiment was also influenced by the revived upward pressures on international interest rates. A small rally ensued but failed to hold and quotations ended at the session's lowest. Closing losses extended to a among medium/ longs, while the shorts gave up a maximum of a The £30-paid short tap stock, Treasury 112 per cent 1985, activated by the

authorities at 27% on Tuesday, settled 4 off at 27%. Among recently-issued Fixed Interests, £10-paid Leeds 134 per cent 2006 weakened 14 points to

Traded option business perked up with 1,300 deals compared with the previous day's 973. On the good results. Marks and Spencer were briskly traded, recording 362 deals, of which 132 were done in the July 140 series.

GRE down again

SelecTV staged an impressive debut in the Unlisted Securities Market: from an opening level of 55p, the shares touched 58p before closing at 56p compared with the placing price of 44p.

was measured by a 10 am fail or with the placing price of 44p. 9.2 in the FT Industrial Ordinary Still overshadowed by talk of share index. A tentative rally on the fresh slowing of the rise in average earnings was short-**NEW HIGHS AND LOWS FOR 1981**

Empire Stores STORES (1)

Argyli Foods
INDUSTRIALS (2)
Arenson (A.) ____European

Arenson (A.) PROPERTY (1)
Brit. Land 12pt Crv.
TRUSTS (3)
M. & G. Dual Inc. Suez Final
Rosedimond Inc.
OIL & GAS (3)
Branon
British Rosens

Branon
British Borneo
British Borneo
MINES (6)
Carr Boyd
Vork Resources
Amal. Nigerla

RISES AND FALLS

YESTERDAY

M. & S. easier

expected preliminary results. Gussies A ended 5 off at 478p Elsewhere, Fine Art Develop-ments fell 41 to 64p following the proposed £5.16m rights issue which accompanied the figures. Polly Peck receded 7 to 250p, but J.T. Parrish contrasted with restricted market. Selincourt hardened 11 to 141p on the

Account Dealing Dates
Option

First Declara- Last Account
Dealings time Dealing Fig. 15. Gilt-edged securities reacted on Japanese selling which out-

> in sympathy with gilts. Cater Ryder declined 10 to 350p, while Secombe Marshall and Cam-pion dipped a similar amount to 260p and Gillett Bres. lost 8 at 260p. The major clearers remained friendless with sentiment still disturbed by the increase in personal banking

than-expected

Selling in Buildings was relatively light, but Blue Circle lost 10 to 466p and BPB 8 to 244p. Tarmac declined 6 to 394p and Ready Mixed Concrete 7 to 187p, while Rugby Portland Cement shed 3 to 75p. London Brick closed 31 sheeps at 77p. Jarvice. closed 31 cheaper at 77p despite the chairman's cautious optimism at the annual meeting. Elsewhere, Phoenix Timber, a good market of late on speculative buying, gave up S to 124p. Moving sharply against the trend, Aberdeen Construction put on 12 to 190p. after 196p, on speculation about an imminent property deal. Dealings in William Local and D ings in William Leech and Bell-way were suspended at 91p and

which may result in a merger. After opening at 290p, ICI encountered sporadic offerings and slipped to 284p before closing 10 down at 286p. Fisons,

Dragged lower by the general malaise. Marks and Spencer closed 3 easier at 136p, after 135p, despite the better-than-

General Accident, 302p, gave up 6 apiece. Sun Alliance ended 9 off at 784p following the chairman's AGM statement.

Discount Houses gave ground

Breweries followed the general downward movement. Whitbread A', 2 lower at 172p, failing to benefit further from the betterpreliminary

respectively; the companies have entered into discussions

a rising market recently on bid rumours, shed 7 for a two-day fall of 10 to 165p following the

EADERS AND LAGGARDS

Percentage changes since December 31, 1980 based on Tuesday, May 19, 1981.

Contracting, Construction	+47.31	Capital Goods	+19.95	INSURANCE (Life)	4	9.4
Hire Perchase	+35.97	Insurance Brokers				
Other Industrial Materials	+29.78			Investment Trusts		8.8
Other Consumer	+ 29.65			Electricals		8.7
Packaging and Paper	+28.94			Financial Group		7.1
Tobaccos		Industrial Group				6.9
Textiles		Health and H'sehold Products	+17.03	Shipping and Transport	÷	6.5
Building Materials		Motors	+ 16.00			6.3
Metals and Metal Forming		Stores	+ 15.78	Other Groups	+	5.9
Mechanical Engineering	+25,85	Overseas Traders	+13,96	Banks		1.4
Engineering Contractors	+24.80	Food Retailing	+13.17	Chemicals	_	0.5
Leisure				Discount Houses		
		500-Share Index				
Newspapers, Publishing	+21.49	All-Shara Index	+ 10.78	Gold Mines Index	_	9.1

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS	W	Wed., May 20, 1981				Tues., May 19	Mon. May 18	Fri. May 15	Thurs. May 14	Year ago (approx.)
Fign	& SUB-SECTIONS ures in parentheses show number of stocks per section	Index No.	Day's Change	Est. Earnings Yield % (Max.)	Grass Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Index No.	Index No.	index No.	ladex No.	index No.
12345689022527933343539442	CAPITAL GOODS (214) Building Materials (25) Contracting, Construction (28) Electricals (28) Electricals (28) Electricals (28) Mechanical Engineering (70) Metals and Metal Farming (13) Motors (21) Other Industrial Materials (18) CONSUMER EROUP (195) Brewers and Distillers (20) Food Maturiacturing (21) Food Retailing (14) Health and Household Products (7) Leisure (22) Newspapers, Publishing (12) Packaging and Paper (13) Stores (44) Textiles (23) Tobaccos (3) Other Consumer (16) DTHER EROUPS (79) Chemicals (15)	339, 74 305.70 563, % 1027.78 491.94 212.62 167.48 105.35 367.22 279.50 304.51 253.22 521.97 303.01 423.68 507.90 144.72 281.98 155.96 248.78 303.90 229.56	-14 -13 -12 -15 -315 -15 -15 -14 -20 -11 -20 -11 -21 -16 -21 -21 -22 -18 -28	11.29 14.64 16.46 8.49 13.39 13.27 9.41 7.33 10.93 13.16 15.24 15.21 15.21 16.56 18.53 10.18 13.18 13.18 13.18 13.18 13.18 13.18 13.18 13.18 13.18 13.18 13.18 13.18 13.18	4.64 5.80 5.00 2.56 5.38 5.75 7.30 7.27 5.44 5.72 6.12 6.39 3.37 4.73 5.30 5.55 7.96 4.54 7.89 7.97 6.33 6.35	10.93 8.18 7.16 14.63 9.45 13.85 210.97 9.26 7.79 12.40 13.34 9.96 6.33 13.03 14.94 13.11 9.20 11.25	344.76 310.04 571.48 1040.69 496.08 215.88 372.91 106.91 373.00 283.81 399.62 526.30 309.04 428.56 147.71 285.92 153.92 1	347.56 389.82 572.67 1056.64 467.94 217.04 1174.06 1107.77 375.48 285.51 330.64 430.55 515.79 149.84 288.14 159.14 255.67 304.27 236.12 236.12 236.12 236.13	347.50 389.17 574.93 1062.48 497.22 427.5.89 1073.49 1083.12 365.56 255.68 255.68 255.68 255.68 255.68 256.69 264.43 159.24 262.91 362.78 262.78 262.78 262.78 262.78 262.78	345.25 368.16 572.86 1958.63 211.97 171.36 147.60 260.71 360.60 256.82 523.92 300.13 48.90 243.98 159.61 255.16 303.32 225.29 255.20 25	235.27 238.15 359.50 622.77 274.01 157.37 159.35 102.29 20.00 214.73 190.20 190.20 300.79 181.70 294.69 419.33 126.44 210.27 221.15 0.00 201.16
44 45 46 49	Office Equipment (6) Shipping and Transport (13) Miscellaneous (45) HDUSTRIAL SROUP (488) Oris (12)	113.32 562.80 297.04 293.35 831.43	-1.1 -1.7 -0.8 -1.5	16.28 15.87 14.04 12.49 21.44	7.39 6.43 5.66 5.43	7.23 7.54 8.67 9.81 5.17	114.62 572.63 299.58 297.92	11A.29 577.01 300.74 300.89 857.45	116.49 583.07 299.19 298.74 846.04	117.28 581.16 297.38 296.69 835.93	106.49 500.93 245.56 223.53 752.75
59 61 62 63 64	500 SHARE INDEX FINANCIAL GROUP (118) Banks(6) Discount Houses (10) Hire Purchase (4)	336.21 248.29 247.80 283.21 267.95	-1.7 -1.2 -1.1 -1.1 -0.1	37.34 8.40	5.68 5.77 7.32 7.96 4.63	3.12 16.47	342.06 251.43 250.53 286.35 286.35	344.46 253.51 252.23 286.35 268.73	342.34 254.73 255.27 289.89 264.08	339.66 253.03 254.34 289.89 263.93	265.34 198.18 298.49 252.61 198.51
65 66 67 68 69 70	Insurance (Life) (10) Insurance (Composite) (9) Insurance Brokers (8) Merchant Banks (13) Property (48) Miscellaneous (10)	250.81 154.81 376.72 156.39 478.51 170.60	-0.7 -1.7 -1.2 -0.8 -1.6 -0.5	21.67 21.67 3.59 18.53	5.97 7.93 6.16 5.12 2.86 6.07	11.78 38.50 6.55	252.46 157.53 381.45 157.59 486.32 171.51	254.64 160.83 384.17 157.07 489.16 171.05	253.70 162.75 381.76 155.58 490.78 171.78	247.71 162.31 377.56 154.47 482.55 179.50	178.54 125.12 293.70 106.94 397.34 128.76
71 81 91	Investment Trusts (109)	303.45 267.82 481.99 318.42	-1.1 -1.0 -1.3 -1.6	12.80 10.79	5.14 5.01 6.06 5.65	9.15 11.43	306.84 270.39 488.21 323.47	3%.58 261.72 488.51 325.25	304.06 261.72 482.63 323.97	304.67 259.95 473.59 321.57	218.32 182.17 373.60 249.16

	Fl	XED	INTE	REST	_	AVERAGE GROSS Wed. Tues, Year May 290 (approx.)	
1 2 3	PRICE INDICES Britisk Gererment 5 years 5-15 years Over 15 years	107.62 107.89 110.43	Day's change % -0.23 -0.80 -0.85	Tues., May 19 167.88 198.76 111.38	xd adj. today	xd adj. 1981 to date 4.24 4.11 4.93	British Government 1 1 1 1 1 1 1 1 1
4 5 6	irredecuables	129.20 108.32 84.85	0.79 0.65 0.42	121,16 109,62 85,21	<u>-</u>	6.23 4.40 4.59	10 Irredectables † 1120 12.18 11.26 11 Bels & Lags 5 years 14.99 14.93 14.72 12 15 years 15.03 14.95 14.83 13 25 years 15.03 14.95 14.55
-	Beference	45.02	_	66.02	_	3.15	14 Perference 1 14.97 14.97 15.82

Flat yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents

a Press article suggesting a pos-sible rights issue, Racal touched 363p before closing 7 down on balance at 365p. Plessey gave up 6 more to 276p. while GEC closed

similarly cheaper at 647p. Ferranti weakened aftesh to 460p. down 15. Elsewhere, Quest Automation encountered profittaking and reacted 10 to 208p, while adverse comment left Chloride 3 off at 37p. Against, the trend, Lee Refrigeration improved 6 more to 196p, after the previous day's late speculative

further ground, but most quota-Hawker came under selling pressure and gave up 10 to 308p, while other Engineering leaders to give ground included GKN, 5 cheaper at 166p, and Tubes, 4 down at 184p. The half-year loss prompted weakness in RHP, which touched 79p before settling at 80p, down 51 on the day. Haden Carrier, 362p, and West-land, 134p, reacted 6 apiece, while fresh offerings left IMI 3

Redfearn Glass fall

In the miscellaneous industrial leaders, Glaxo retreated 8 more to 326p, Reed International 7 to 342p and Metal Box 6 to 200p. Awaiting today's preliminary figures, Boots gave up 4 to 192p, while further profit-taking in the wake of the good first-quarter earnings left Unilever down 13 more at 542p. Turner and Newall receded 4 to 931p as did Bowater, to 243p, after extremes of 248p and 240p. Elsewhere, Redfearn National Glass lost 15 to 177p, after 175p, on news of the interim dividend cut and £1.6m half-year deficit, B. and I. Nathan cheapened 2 to 26p, also after

Hoover A, 150p, gave back the previous day's rise of 13 which stemmed from hopes of a bid from the U.S. parent. Hunting Associated fell 20 to 330p on further consideration of the lower profits but Jacksons Bourne End rose 18 more for a two-day jump of 32 at 185p on the receipt of planning permission for the development of its Bourne End site. Awaiting bid developments, Charles Hill of

Bristol put on 10 at 93p. British Aerospace hardened 3 to 220p on confirmation of U.S. orders worth U.S.\$70m for its

Renewed demand in a thin market lifted Samuelson Film Service 37 to 270p. Elsewhere in Leisure issues, Management Agency and Music shed 11 for a two-day fall of 22 to 186p the interim statement.

After opening a couple of pence lower at 75p, Dunlop rallied to 77p before drifting of late to close a penny down at 76p. Bluemet Brothers shed 4 for a two-day fall of 8 to 34p on the interim loss and dividend omission. Among Garages, Hart-wells improved 4 to 102p, the chairman's optimistic statement outweighing the reduced profits.

Geers Gross dropped 10 to 110p on the proposed £1m rights issue and annual results. Pub-lishers William Collins, the subject of considerable specula-tive interest in the wake of News International's bid for the com-pany, shed 10 to 250p with the A 13 down at 152p pending developments.

An attempted rally in Properties fizzled out and closing levels were usually the day's lowest. Land Securities ended 8 off at 402p and MEPC 7 down at 224p.

ACTIVE STOCKS llowing stocks yesterday Closing price pance 286 136 Day's Bowater British Aerospace Collins (Wm.) A Cons. Gold Fields GRE

TUESDAY'S ACTIVE STOCKS

	D8880	on pare	Isius tec	COTOBO IN SE UMCI	al List		
Pana-da	No. of price	Tue.'s closing price	Day's		price	price	Day's
Stock	changes				changes	bedce	change:
s. Gold Fi		540 ·	+25	Cobry Sch New	11	. 3pm	. – 3 [°]
Z	17	542	+14	Man Agcy & M	11	197	-11
ilever	16	555	-17	Racal Elec		372	-11
ustead	14	136	- ġ	Grand Met		201	- ž
C	13	653	-10	GRE		308	-12
ons	12	172	- 3	Reed Intol		248	- '8
	12	296	- 6	Shall Trans		408	- ă
_							

OPTIONS

Deal- Declara- Settle-Dealings ings tion ment Le Vallonet, Premier Con-May 11 May 22 Aug. 6 Aug. 17 solidated, Strata Oil, Cattle's ings May 26 June 5 Aug. 26 Sept. 7 June 8 June 19 Sept. 10 Sept. 21 and Turner and Newall BSG For rate indications see end of Share Information Service Stocks favoured for the call

included National Finance, ICI, Birmid Qualcast, (Holdings), Simon Engineering International were dealt in for the put, while double options were arranged in Marks and Spencer and Debenhams.

RECENT ISSUES

issue Price pt	Amount Paid Up	Renung	191 High		Stock	Otosing Pride pt	+ or	DIM P. Or Amount		Yeld Fig.	1
# # # 85 \$90 475 100 # # 584 184 # # 184 25	F.P. 2 F.P. 2 F.P. 2 F.P. 2 F.P. 2 F.P. 1 F.P. 2		E1956 300 140 132 500	£164 200 105 89 475 13 102 53 88 93 201 ₂ 31 ₂ 54	Allegheny Int. Inc	£19% 205 130 127 500 13 103 53 86 109 211 ₈ 56	- 10 - 6 - 5 - 1 - 1	QSI.40 Q 40c u1.0 	6.7	2.8 — 1.0 — 1.1 ls.1 — 6.0 26.8 4.7 6.1 6.6 l2.7	8 5 7

FIXED INTEREST STOCKS

issue price £	Amount Pald Up	Latest Renund Date	1981 High Low		Stock ·	Olosing Price &	<u>+</u>
100 99,87 99,486 100 975, 99 £1 9654 £1	F.P. Nil £30 £30 £10 £10 F.P. £20 Nil F.P.	18/6 8/6 16/7 25/6 3/6 10/7 27/8 12/6 7/7 8/6 [3/	101½ 14pm 29¼ 29; 01pm 11 91p 20 20 20 20 20 20 20 20 20 20 20 20 20	100 1pm 273 28 7pm 51 9 101p 90p 164 19pm 25	BPC 7.75% Non. Cum. Prf. Cambridge Water 8% Prf. 1986	101 1pm 273, 281, 7; pm 51, 83, 101p 90p 90p 161, 1ppm	- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1

"RIGHTS" OFFERS

issue Price	Renunc.			1981		Stock	<u> 등 8 %</u>	+01
p‡	40	•	E	High	Low	SLOCK	Olosin Prios	-
64 154	NI			22pm	17pm	Amai, Power Eng	22pm	_
2	F.P.	8/4	22/5	280	171	Assoc, Dairles	208	 2*
190	NII	014	29/5	20 - E	102	Berker & Dobson A	_6	- <u></u>
380	Nii	_	□ I	32pm 77pm	73bm	Barratt Deva	24pm	−ĕ
65	NII !		_ 1	2000	132m	Bestobell	62pm	—8 J
5		22/5		20pm	rabw	Brit. Car Auction	151gpm	— <u>12</u> }
549 7	P.P.		<u></u>	8pm 545	405	Brit. Dredging	8pm	
77	NII :		_ i	5pm		Broken Hill Prop Cadbury Schweppes	510pm	1
53 236	F.P.	1/5	29/5	64		Country & New Town Props	5pm 66	**
236	NI			14pm		Flanderand	4pm	_; I
92	F.P.	15/5	5:6	125	110	Elandsrand Electrical & Industrial	125	Ţź I
98	Nil .	22!5	26/5	4pm	lenm	Floyd Oil	lann	T .
95	F.P.		12/6	148	132	Fothergill & Harvey	½pm 148	
LO3	P.P.	_		86				: · - I
205	NII	_	_ !	52pm		Hong Kong & Shanghai Bank:	40	·
48		10:4	29/5	7542	54	Horizon Travel	42pm	-1. 1
d.	F.P.		i	102	99 '	LONG n Shop Pr'p 9% Criv94-98	6612	-214
L38 i	NIL	_	_ !	36pm	20nm:	Coug u Subbat bascuss-se	99	-:]
166	F.P.	7:5	11/6	170	157	Mowlem (J.),,	* 38pm 170	
160	F.P.	16/5	12/6	176		Roban Group	164	<u> </u>
160 131	Nil	-	'9	I i pm		Smurlit (Jefferson)	19	
236	NH .	_	- i	25pm	land	South African Land	18pm	
45	P.P.	24/4	22/5	177"	150	Spirax-Sarco	12 pm	
6	P.P.	6/5	21/9	1112		Sterling Credit	1012	~;
40	F.P.	4/4	29;5 į	74	53	Sterling Gredit Suter Electrical	73	
82	F.P.	24;4	22/5	118	100	Thermal Syndicate	111	+1
20	NH :	_	~ }	9pm		Wastern Selection	_gpm	
A134	75c		- !	95	64	Woodside	71	-3-
								TT .

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's semings. F Dividend and yield based on prespectus or other official estimate for 1981. Q Gross. T Figures assumed. † Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. p Pence unless otherwise indicated. † Issued by tender. [] Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. † Issued in connection with reorganisation, merger or takeover. [[] Introduction. [] Issued to former preference holders. [] Allotmost letters (or fully-paid). © Provisional or party-paid allotment letters. * With warrants. †† Dealings under special Rule. \$Unilsted Securities Market. †† London Listing. † Effective issue price after scrip.

Trusts lost ground on a broad front, but Aberdeen, up 7 at 232p in response to Press comment. provided a firm exception. Among Financials, Mercantile House, at 800p, gave up half of the previous day's rise of 30 which followed news of the pro-posed acquisition of a leading Swiss money broking firm.

further to 134p.

interests, shed 5 to 123p.

Reflecting overnight weakness on Wall Street, Oil shares were marked down quite sharply at the opening. Quotations rallied from the lower levels before

In Shippings, W. Runelman remained on offer after the pre-liminary results and gave up 6

while speculative counter Rose haugh relinquished 8 to 310p. Mountleigh, up 13 on Monday on the sale of its loss-making textile

Oils weaken

drifting back again in a low volume of business. Shell, awaiting today's quarterly figures, closed 14 off at 394p. while BP gave up 8 to 398p. Lasmo, down 13 at 592p, failed to benefit from the Phillips North Sea oil find in which the com-pany has an interest. Ultramar lost 12 to 461p and Tricentrol S

The Electrical leaders gave Clark at 160p. dipped 20 on Slough Estates shed 4 to 140p tions finished a few pence above profit-taking after the recent despite the chairman's confident the worst. Unsettled further by strength on takeover runours, attement at the annual meeting, a profit of the chairman's confident to the chairman's confid

1. (Acum.)
F. Japan Small Co.
F. Japan Small Co.
F. Japan Technology
milne Esta. Tst.
F. Pac. Secs. (Inc.)
p. (Accum.)
rdine Flem Int.
F. S.E. A.
p. (Accum)

Cor. 6 Pacific CovTso

King & Shaxson Mingra

Total bargains 22,222 20,235 22,224 20,086 20,527 21,065 17,623 Equity turnover £m. - 128.34 134.25 179.06 125.45 127.86 96.36 Equity bargains.... ____ 15,401 16,520 19,665 15,694 15,703 12,671

S.E. ACTIVITY HIGHS AND LOWS

1/7/35. Gold Mines 12/9/55. SE Activity 1574.

Industrial Ord.....

Ord. Div. Yield.....

	. 19	981	SinceGo	mpliat'n			<u> </u>
	High :	Low	High	Low		MAY.20	May 18
Govt, Secs.	70.61 (20/8)	66.39 (12/6)	127.4 (8/1/85)	49,18 (6/1/75)	Daily Gift Edged Bargains	171.7	178,4
Fixed Int	72.01 (20/5)	68.57 (29/6)	150.4 (28/11/47)	50,53 (\$/1/75)	Equities Bargana Value 5-day Ayrge,	99,8 259,4	107.0 271.3
ind.Ord	597.5 (50,4)	446.0 (14/1)	597.5 (80/4/81)	49,4 (26/6/40)	Gift Edged	165.3	164,6
Gold Mines	421.1 (18/1)	281,4 (29/1)	558.9 (22/9/80)	43,5 (26,10.71)	Equities Bargains Value	107.4 260.7	

Among Textiles, Textured London-based finance houses Jersey closed 13 higher at 107p, Gold Fields and Rio Tinto-Zine, the rise mainly reflecting overthe rise mainly reflecting over-

the rise mainly reflecting overnight demand. Speculative
support lifted Yorkshire Fine 4
to 38p.

Plantations had HME closing
3 down at 225p following the
9-monthly results but Killinghalf Rubber 40 higher at 620p
an demand in a thin market.

The latter allied to 545p around
dealings, rallied to 545p around
wid-day on renewed hid speculation, but fell away again to close
a net 2 cheaper at 540p. Gold
shares dipped to 528p in initial
shares dipped to 535p and
then lost ground on profit-taking
to close 10 down on balance at Interest in mining markets to close 10 down on balance at continued to focus on the 530p.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Cralgemount Fixed Int. Magrs. (Jersey) P.O. Box 195, St. Heller, Jersey. 0534 27561 Git Fund Chy.) 1929 93.0ml +1.4 14.52 Valued seedy Wednesday.

DWS Deutsche Ges. F. Wertpapiersp Grineburgweg 113, 6000 Frankfurt Investa _________[DM2.03 33.66]-0.10[_____

Dreyfus intercontinental inv. Fd.

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The English Association 4 Fore Street, Etc. 01-598 7081. Kerng-Gee Management, Jersey Ltd. E.A. Bucture Fund* 1650 68.7| 40.11 15.12 15.12 15.13 15.13 15.14 15.14 15.15 15.1

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HIR-Samuel & Co. (Guernsey) Litz.

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(0534) 7374) 6y. (0481) 24706 4. (0624) 4856 7.756 13.50 91.36 13.50 8.16 +0.01 13.50 Guernstry Inc. 194.4 103.9nd 4.44 Do. Accum 129.8 142.9 4.44 K.B. Burnhard Ed. 169.00 9.17 10.66

Financial Times Thursday May 21 1981

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for mpt mpt med med mede Thursday May 21 1981



CBI declares war on Japan trade

BY HAZEL DUITY, INDUSTRIAL CORRESPONDENT

Industry has declared war on practices under the General assume the EEC presidency, Japan's trading policy which it Agreement on Tariffs and Trade. the Japanese Prime Minister is says constitutes a threat to more and more sectors of British

It is linking this move with target.
criticism of the British Government for not being firm enough on the proposed Nissan car plant in the UK. It believes Vissan must be made to specify a high content of locally-made components.

for the Japanese Government to levels, such as that on Japanese agree to a target to be reached cars to the UK and, in four years—at least 60 per • to get the EEC to formulate cent of her exports to Britain a united European policy on rebe covered by imports from sisting the Japanese threat. Britain. It says that if Japan

W. German

steelmakers

THE WEST German steel in-

dustry is pressing the Govern-

ment for subsidies and other

assistance to the beleaguered

This significant shift of course, signalled this week by

industry's reaction to what is

steel crisis. Until now, most West German

steel producers and, above all,

state assistance given to Euro-

pean competitors such as Britain and Italy. But the chair-man of one major West German

steel company has made clear

that the country's industry now

has little choice but to look to

Bonn and the provincial govern-

The profit figures just dis-

closed by the latter company suggest how several West Ger-

ments for help.

steel producers in the Ruhr.

press for

subsidies

to fight for import controls if summit is in July. Japan fails to agree to the

A paper detailing the confederation's arguments will be handed to Mr. John Biffen, Trade Secretary, today. The confederation's campaign will be two-pronged:

• to continue striving to secure The confederation is calling national agreements on import

The confederation believes

The confederation threatens to visit the UK, and the Ottawa

president, said after yesterday's meeting of its council: "We really have to go for deeds, not EEC countries stood to lose words. We have been talking heavily if conditions were not to the Japanese for about 15 Now we have to get years. down to some specific actions and controls, something which really does work."

He said the confederation was less than enthusiastic about some aspects of the Government's open welcome for Japanese investment in the UK. "It is essential that the Govern-on the level of locally-made

He warned that Japanese ummit is in July.

investment "must never be Sir Raymond Pennock. CBI allowed to get to the point where it is likely to destroy a sector of our industry." Other heavily if conditions were not made clear at the outset.

The confederation's agitation over Japanese imports was fuelled by the recent agreement between the U.S. and Japanese Governments on the level of Japanese cars entering the U.S. market.

Sir Terence Beckett, CBI director general, said that as a result there would be a surplus the EEC should the timing of its campaign is ment lay down very firm of about 400,000 Japanese cars

THE Confederation of British challenge its trade policies and just right-Britain is about to criteria-constraints if you like "and they have to find a home

The confederation said the UK's trade deficit with Japan for January and February was 30 per cent worse than in the corresponding period last year Britain's import-export ratio had declined from 51 per cent to 35 per cent over the same period.

Of Japanese imports to Britain 58 per cent were now in three product areas vehicles. consumer electronics and electronic engineering. It was sential that the EEC be aware of other sectors where Japan was concentrating efforts before it was too late to do anything.

CBI annual report, Page 8

Growth rate of average earnings running at 10%

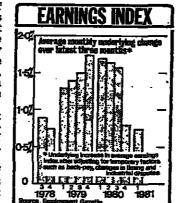
BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GROWTH RATE average earnings in the UK is now clearly established at about 10 per cent, nearly half the settlements in the current wage round. There are, however, significant differences between the manufacturing and service

senior steel executive, is the Department of Employment now viewed as the worst point figures published yesterday conyet in the seven-year European firm the underlying growth of earnings—ignoring special fac-tors and distortions—is about ‡ per cent a month, less than half the Government, has resisted firmly the notion of large subthe level of a year ago. This is equivalent to about 10 per cent sidies and have condemned the

Confederation of British Industry pay databank figures yesterday show pay rises in manufacturing industry averag-ing between 8 and 9 per cent, continuing the pattern established since October. About three-quarters of the settle-ments notified in the last month have been in single figures and nearly a third contain elements

designed to raise productivity.
The latest figures highlight man producers have been hit by the turmoil of the past six variations within the economy. months in the European steel The recession has had a considerable impact on holding After making a profit in the down pay rises in the more exposed parts of manufacturing industry.



had less influence on private sector services, according to the CBL Settlements in retailing, banking, insurance, hotels and the leisure industry are on the whole lower than a few months ago, and now average between 10 and 11 per cent.

About half the increases in central and local government are for 7.5 per cent. After including last autumn's exceptionally big settlements for firemen and the police, the average is just over 8 per cent.

Settlements in the nationalised

private sector with low rises corporations engaged in manufacturing and above average increases for the energy utilities.

The slowdown in the level of pay rises is reflected in the published earnings index, even though this is still partially inflated by the bigger rises at the end of the 1979-80 wage round. The index covering 21m workers in the whole economy rose by 14.4 per cent in the year to March to 197.8 (January 1976=100, seasonally justed). This compares with a 16.5 per cent rate in February and well own 20 nor cent left and well over 20 per cent last

This decline slightly overstates the slowdown because of the impact of back-pay a year ago on the 12-month comparison. But officials reckon that after adjusting for these distortions the rise in the year to March was 15 per cent, compared with 15} per cent in February. Earnings are no longer being

depressed by falls in overtime or by a rise in short-time work-The number of hours of overtime worked in manufactur-ing appears to have levelled off so far this year and the hours lost through short-time working ndustry. industries have followed a fell from 8.45m a week in The economic downturn has similar pattern to those in the January to 6.78m in March.

Baby food publicity ban backed

AN INTERNATIONAL code urging a ban on the advertis-ing of breast milk-substitute haby foods was yesterday vote at the annual assembly of the World Health Organisation (WHO) in Geneva.

The code has no legally hinding authority over WHO mebers but in practice it seems likely sharply to reduce freedom especially in developing countries, by the world's 17 main baby foods manufac-

These include international

Nestlé of Switzerland and the Anglo-Dutch Unigate-Nutricia partnership in a market with total sales of £960m a year.

The code was opposed by the U.S. but backed by the UK and the other EEC mehers. It will be endorsed today by the assembly as a whole. Dozens of developing countries have said they are determined to use it as a model for binding laws hanning all advertising of breast milk substitutes. U.S. Ambassador Gerald

Helman, who voted against the move, said the code's pro-

visions posed serious legal and constitutional problems which made its application impossible.

The U.S. also has reserva-tions about allowing the WHO, a United Nations agency dealing with health problems, to become involved in codes affecting international commercial practices.

The International Council of Infant Food Industries, a 14-company industry group, said the code was uneuforceable because it did not take enough account of the needs of undernourished infants in poorer countries.

IMF warns of prolonged recession

BY DAVID MARSH IN LIBREVILLE

lengthen the world recession, but it is improving prospects of reducing inflation, according to an analysis of growth pros-pects by the International Monetary Fund.

M Jacques de Larosiere, the fund's managing director, is expected to tell the IMF's

The interim committee, which is the fund's steering group, is composed of government officials and central bankers from around the world. Its meeting in Libreville, Gabon, is the fund's first gathering in Africa. According to the fund's report,

consumer price inflation will continue to fall next year to about 7 per cent in the indus-trialised world, compared with interim committee at its meeting today, tha growh in industrialised countries next year
may be only about 1.5 per cent.

The current account dencit
continue to fall next year to
of non-oil developing countries
about 7 per cent in the indusis still increasing. It totalled
\$80bn last year and could reach
may be only about 1.5 per cent.

12 per cent in 1980 as govern-

THE RECENT rise in inter-national interest rates will per cent this year.

after expansion of less than 1 ments kep up their deflationary policies.

The meeting today will hear a simbre forecast of rising international payments imbalances. M. de Larosiere believes that the current account surplus of the Organisation of Petroleum Exporting Countries, will fall only moderately this year from about \$110bn (£53bn) in 1980. The current account deficit

Europe sets viewdata standard

BY GUY DE JONQUIERES

authorities in Western Europe have agreed on a unified standard for viewdata which will bridge the technical differences between the systems developed by Britain, France and West Germany. The agreement is expected to

improve the future development and marketing of view-data, which enables "pages" of information to be retrieved from a central computer and displayed on the screens of modified television sets.

service. Prestel, which has about 10,000 subscribers, is still the only system of its kind in commercial operation anywhere in the world, though other countries plan to introduce services of their own soon.

Adoption of a unified standard

possible for national viewdata into effect by the design of services to be extended to sub- microchips which, when fitted scribers in other European to viewdata receivers, will countries, though no such

viewdata systems to countries should give them a competitive advantage over Canada's rival Telidon system, which is being heavily promoted on export

The agreement, endorsed by the 26 countries belonging to in Western Europe will create the European Conference on be compatible with the Telidon new export opportunities for Posts and Telecommunications, system,

set prices, at present substan-tially higher than those of ional viewdata systems as a normal television sets. striving to impose their nat-tially higher than those of ional viewdata systems as a world standard.

enable them to interpret the expansion plans have so far different electronic signals been announced by any telescommunications authority. is expected to start in 1983. The agreement is intended to

cover all future developments of viewdata services and will ensure that they can be received on sets already in use. American Telephone and

markets. Telidon is not techni- Telegraph, the giant U.S. telecally compatible with the new communications concern, announced in Toronto last night that it was to develop its own viewdata standard which would

Orders and options for **BAe 146** at \$300m

ORDERS AND options for the new British Aerospace 146 air-liner exceed \$300m (£145m)

from four airlines.

The 146 is a four-engine feeder-liner designed to operate on short distances, fulfilling a growing demand for a rugged, reliable workhorse type of air-

British Aerospace estimates that the market for this type of aircraft through the 1980s could amount to about 1,200 units, worth more than \$15bn, of which it expects to win at least 30 per cent As the first production 146

was rolled out from the Hatfield, Hertfordshire, production line yesterday it was announced that Air Wisconsin, a U.S. regional airline, had signed a contract for four aircraft with another four on option, worth about \$70m. Westair, a U.S. jet operator, announced plans to buy six aircraft with another eight on option, worth a total of over \$200m, for use by its subsidiary operator, Pacific Express air-

Negotiations between Westair and British Aerospace on a final contract should be completed by the time of the Paris

air show in two weeks.

There are firm orders for another three aircraft from two undisclosed airlines, worth about another \$50m, bringing the total of firm orders for the the total of firm orders for the 146 to 13 with another 12 on

Mr. Preston Wilbourne, presilent of Air Wisconsin, who was at the roll-out ceremony, said his airline had been watching the development of the 146 for

The Air Wisconsin order is for the larger series 200 version of the BAe 146, designed to carry up to 109 passengers. The aircraft are due to be delivered in Short-haul craft on show, Page 7

Weather

UK TODAY THUNDERY rain in East,

brighter later. Rain in West and North-west. Sunny intervals in South. London, England, Wales

Wind South-westerly. Warm. Max. temp. 21C (70F). Borders and Scotland, N. Ireland Wind South-easterly, moderate. Max. temp. 18C (64F).

Orkney, Shetland Thundery rain. Wind East to South-easterly. Max. temp.

Outlook: Sunny periods. Showers heavy and thundery. WORLDWIDE H. Kong Innsbrk.

Jersey Jo'burg L. Pims.

THE LEX COLUMN

Marks gets back on course

Marks and Spencer's ship sailed resplendent into harbour yesterday, fully vindicating the change in pricing policy of August 1979 and even suggest ing that the group is not quite so mature in the UK as has been assumed. So after a first half decline in pre-tax profits of 11 per cent, there has been an increase of nearly 17 per cent in the second half, to push up the full year outcome £71m to £181.2m. Yet in spite of an improved dividend the shares fell 3p yesterday with the market to 136p, where the yield

After a poor first quarter, it now looks as if last July was the turning point in the campaign to attract back the customers. Over the year clothing volume has risen by 7½ per cent and the gain in the second half is comfortably above 10 per cent. Even after the price restraint enforced on suppliers. gross margins have slipped-

price inflation of only 2 per cent is claimed for clothing—while costs have risen by more than 6 per cent. Nevertheless the higher volume has allowed a small increase in UK net margins to emerge. This performance is in strong contrast to that of British Home Stores, whose static volume underlines Marks and Spencer's success in recouping all its lost market shares, and then some.

Elsewhere, food sales have continued to grow rapidly, with a volume gain of 11 per cent. Loss elimination in Canada has helped to push up the second half contribution there by twofifths, stripping out store closure costs. As for the question of saturation of the UK market, the company is now looking closely at the prospects for expansion in smaller units.

In the current year Marks is set to make over £200m, with an encouraging start to the year. The company is also doing well in some of the regions worst affected by unemployment, Current cost accounting erodes pre-tax profits by a minimal 5 per cent. So the temptation to switch into other retail stocks in search of recovery prospects may be muted.

For 10 weeks now the Government's funding has rested upon now stands in the market.

the two pilars of National Sav
If the index-linked stock is ings and calls on partly-paid be anything more than a cent acceptances regilt-edged stocks. National Sav-curiosity brought out by the redemption offer. ings probably remain a valuable source of funds even if not quite at the hectic evel of April, but giltedged calls are begin-breadth. Even if the right to ning to run out. Some time in hold the stock remains confined

Index fell 11.1 to 544.8



day the authorities wil need to sell a worthwhile amount of

No conventional long-dated stock has been issued since early. January, a lengthy enough interval to suggest that the authorities have retreated from unquestioning dependence on this sort of instrument. That does not mean of course, that there will never again be a high coupon long. But there is now the alternative of issuing another index-linked stock — an opt ion which, it is common knowledge, is being considered with a good deal more enthusiasm at the Treasury than at the Bank of England.

The Governor of the Bank of England has not disguised his uneasiness about indexation, and technical arguments can be summoned up to oppose the issue of a new indexed stock in the next few weeks. The first issue will be barely fully-paid. and it stands at a discount of nearly three points to its tender Still, it has performed less

badily than the conventional long market, and the circumstances of its issue were rather peculiar, since many pension funds put in deliberately low bids in order to impress the Bank with their actuarial machismo. These funds are

Bank when it cannot sell anything else, the market must be encouraged to develop some the banking month begining to- to pension funds, it is essential holders.

that more issues with a spread of maturities should be avail-

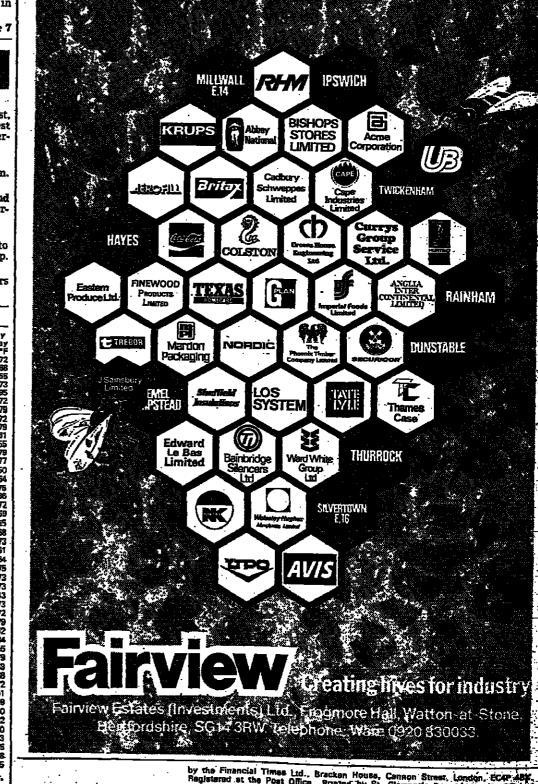
The first index linked stock broke ground in another important respect, in that it was offered for auction without a minimum price, if only because the Bank had no sensible way of setting one. The offer was perfectly successful; perhaps it is time to try issuing a modest amount of conventional stock in this way. But here again the Bank of England is anything but keen: the Bank is anxious to protect the gilt-edged jobbers, and they would have to job in a quite different way in the rosence of supplies of stock at predictable tap prices.

Debentures Investment institutions .. are

far more easily excited by small points of financial principle than by gross deficiencies in industrial management. There was some concern about the treatment of debenture holders when RPC recently redeemed at a discount four stocks due to mature over the next decade: now Tate and Lyle's offer to buy in its £0.5m 41 per cent irredeemable debenture, recently trading at £321, at £85 rather than par has raised the hackles of some fund managers.

The capital value of a deben-ture is backed by the security of certain assets—in the case of Tate and Lyle, by the now closed sugar refinery in Liver-pool. Such borrowers originally obtained a low rate of interest by granting this security, and can be argued that if the integrity of the market is to be protected (which it must be if new debenture issues are ever to be floated) there must not be the slightest hint of trying to wriggle out by repay-ing less than full value. The case of BPC was to some

extent special since the company was faced with extinction, and many debenture holders must also have held equity and been unwilling to press for their full rights. However, Tate and Lyle is not an ideal test case either. It is not obliged to redeem the debenture now potential buyers, at a price Liverpool is closed: it can main-perhaps not too far below the level at which the first stock to another property and enjoy now stands in the market. its 41 per cent money for ever
If the index-linked stock is to if it does not get the 75 per fund managers have decided that the line must be drawn somewhere, and will be makmorrow's meeting of debenture



first nine months of 1980, the company suddenly plunged into the red during the final three months of last year, losing DM 90m (£19.1m) between October and December. The trend is continuing this yearand indeed is reflected in the performance of almost all the major West German steel concerns in the industrial Ruhr West German steed companies are reacting in two ways. They are putting pressure on Kloeckner Werke which, in an attempt to obtain a more generous quota for hot rolled coil under the mandatory Euro-

pean control system, has been holding up agreement on a new voluntary Europeun agreement on output quotas. The second industry reaction. which has emerged clearly this week, involves the companies in pressing the Bonn Government to give more assistance to the Ruhr producers on the lines of the restructuring sub-sidies given to the steel industry

the Saar. UK aid blocked, Page 2

Continued from Page 1

CEGB

Mrs. Sally Oppenheim, Minister of Consumer Affairs, said the report had proved the value of such investigations. The commission had "seriously criti-cised certain aspects of the hoard's operations where their was significant scope for reductions in costs and improved efficiency."
Mrs Opponheim's remarks
were immediately attacked by
Mr Glyn England, the CEGB

chairman, who said the report had not made such criticisms. He could only conclude that Mrs Oppenheim had either not read the report or had been guilty of wishful thinking about what she thought it should have

Mr England welcomed the report as a "thorough, fair and constructive"

Continued from Page 1 **Bribery**

This will set out proposed reforms of U.S. tax, banking and anti-bribery law affecting U.S. exporters. The recent surge in the dol-

lar's value on foreign exchanges is expected to decelerate the growth of U.S. exports and wider the U.S. trade deficit. The deflict narrowed to \$451m (£216m) in March. This was the lowest monthly figure for five years. It brought the trade deflict for the first quarter to S9bn: (compared with \$14.6bn in the corresponding period of 1980). However, improvement is not expected to continue.

The British Post Office has already invested well over £20m in its Prestel public viewdata

It will also be technically

The agreement is also intended to help sales of European elsewhere in the world and European standard.

TELECOMMUNICATIONS manufacturers of viewdata sets. was made possible by a com-Increased competition between promise between Britain and manufacturers may drive down France. Both countries had been

The new standard will be put